

*Leave of Absence**Friday, July 24, 1992***HOUSE OF REPRESENTATIVES***Friday, July 24, 1992*

The House met at 2.05 p.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the Members for Chaguanas (Miss Hulsie Bhaggan); Couva South (Mr. Ramesh Lawrence Maharaj) and La Brea (Mr. Hedwige Bereaux).

PARKING FACILITIES

Madam Speaker: I wish to advise members of the media that the parking facilities that were promised have now been finalized. The stickers can now be obtained from the Clerk of the House with the relevant instructions as to where these parking arrangements have been made.

FIREARMS (AMDT.) BILL

Bill to amend the Firearms Act, Chap. 16:01, brought from the Senate, [*The Minister of National Security*]; read the first time.

PAPERS LAID

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, I beg to move that this item be taken at a later stage of the proceedings.

Question put and agreed to.

ORAL ANSWERS TO QUESTIONS

**Development Finance Company
(Loan Disbursements)**

63. Mr. Basdeo Panday (*Couva North*) asked the Minister of Trade, Industry and Tourism:

Could the Minister state:

- (a) The names of the recipients of loans and/or other financial assistance given by the Trinidad and Tobago Development Finance Company and its subsidiaries during the years 1985 to 1991 (inclusive) stating the amounts given to each recipient and the purpose therefore?

- (b) The number of non-performing loans, the names of the recipients, the years and amounts of each such loan and the purpose for which it was given?
- (c) The names of all applicants for loans and for other financial assistance from the Trinidad and Tobago Development Finance Company and its subsidiaries for the years 1985 to 1991 (inclusive), the purposes for which such financial assistance was sought and the reason(s) for refusal, if any?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, this question is under the responsibility of the Ministry of Finance. To obtain the relevant answer to the question posed by the hon. Member for Couva North, the assistance of Development Finance Limited (DFL) which was formerly Trinidad and Tobago Development Finance Company Limited was sought.

However, Development Finance Company Limited has stated that it is unable to provide the full answer to the question as the details of the information requested are confidential between the company, as banker, and the clients.

The company has made available the following information in respect of its loan portfolio for the period 1986—1991.

| Year | | \$ million |
|------|---|------------|
| 1986 | gross portfolio | 252.8 |
| | non-performing portfolio (or 52 per cent non-performing) | 130.9 |
| 1987 | gross portfolio | 224.5 |
| | non-performing portfolio (or 50 per cent) | 112.4 |
| 1988 | gross portfolio | 58.2 |
| | non-performing portfolio (48 per cent) | 75.5 |
| 1989 | gross portfolio | 160.9 |
| | non-performing portfolio (or 51 per cent) | 81.8 |
| 1990 | gross portfolio | 166.2 |

Mr. Panday: On a point of order, Madam Speaker. The hon. Member is not answering the question I asked. The question I asked was:

Would the hon. Minister state:

- (a) The names of the recipients of loans and/or other financial assistance given by the Trinidad and Tobago Development Finance Company and its subsidiaries during the years 1985 to 1991 (inclusive) stating the amounts given to each recipient and the purpose therefor?

Is the Minister saying that the Government has set up an institution which says that the Members of Parliament have no right to find out these things? Is that what is happening? I do not want any other answer. I do not want the answer he wants to give. I want the answer I asked for. It is either that the Minister is going to respect this House or he is not going to respect it.

Hon. K. Valley: I do not know if the hon. Member is unaware of the question he asked. Part (b) of his question reads, "the number of non-performing loans..." As I said, the company stated that some of the information that he requested, given the confidential nature of the relationship between banker and client, cannot be provided.

However, we can provide the answer to the part of the question which requested information on the number of non-performing loans. I wish to inform the House that Government's shareholding in that company is now down to 28.8 per cent. It is a minority shareholder.

Mr. Panday: If the Minister is not going to give me the answer I want, he need not answer the question at all. I wanted to know the number of non-performing loans, the names of the recipients, the years and amounts of each loan and the purpose for which the loans were given. The Minister does not want to answer that, so forgo the question.

Hon. K. Valley: Very simply, I am saying that some of the information the Member requested cannot be provided because of the nature of the relationship between banker and client. I was merely providing the information that we could provide without breaking that confidentiality, bearing in mind among other things, that in fact the Government is a minority shareholder in the Development Finance Company Limited.

Mr. Sudama: When did the Government become a minority shareholder?

Hon. Valley: I do not know the exact date, a minority shareholder. If the Member wants, I could get that for him. It is somewhere between the period 1987 and 1991.

The following questions stood on the Order Paper in the name of Mr. Ramesh Lawrence Maharaj:

Pending Court Matters

68. Could the Attorney General and Minister of Legal Affairs state how many matters in the following categories were pending on December 31, 1981, in the courts indicated and in the civil and criminal divisions specified:-

1. In the Magistrates' Courts:
 - (a) Criminal (excluding Inquests)?
 - (b) Civil (including Family Matters)?
2. In the High Court of Justice:
 - (a) Civil Jurisdiction?
 - (b) Criminal Jurisdiction?
3. In the Court of Appeal:

From the High Court—

 - (a) Civil Appeals?
 - (b) Criminal Appeals?

Industrial Court (Pending Matters)

69. Could the Attorney General and Minister of Legal Affairs state how many matters were pending on December 31, 1981, in the Industrial Court?

High Court/Magistrates' Court (Filed & Determined Matters)

71. Could the Attorney General and Minister of Legal Affairs state how many matters were filed and how many were heard and determined in the following categories in each of the ten years from January 1, 1982 to December 31, 1991:

1. Number of matters filed in the Magistrates' Court:
 - (a) Criminal?
 - (b) Civil?

2. Number of matters heard and determined in the Magistrates' Court
 - (a) Criminal?
 - (b) Civil?
3. Number of matters filed in the High Court of Justice specified:
 - (a) Civil
 - (b) Criminal?
 - (i) Chamber applications?
 - (ii) Other actions?
4. How many witness actions and proceedings were heard and determined in the High Court of Justice:
 - (a) Criminal
 - (b) Civil?
5. How many matters were heard and determined at Chambers in civil cases in the High Courts?
6. How many written judgments (including written Reasons for Decisions) were delivered in the High Court in civil cases?
7. How many matters were heard and determined in the Court of Appeal specifying the number in each division for each year in which the Court sat in two divisions:
 - (a) Civil?
 - (b) Criminal
 - (i) From Magistrates' Courts?
 - (ii) From the High Court at Assizes?
8. How many written judgments (including Reasons for Decisions) were delivered in the Court of Appeal or in each division of the Court of Appeal as the case may be?

Madam Speaker: That Member has asked for leave of absence.

Questions, by leave, deferred.

**Purchase of New Equipment
(Local Government Bodies)**

90. Mr. Sahid Hosein (Siparia) asked the Minister of Local Government and Minister in the Ministry of Finance:

Can the Minister of Local Government and Minister in the Ministry of Finance state:

- (a) Whether the Government intends to purchase new equipment and machinery for use by local government bodies in order to provide adequate services to the people of the various municipalities?
- (b) If the answer is yes, can he say how soon?
- (c) If the answer is no, how he intends to resolve this problem?
- (d) What he intends to do about the large number of vehicles laid up at various local government bodies?
- (e) If they are to be repaired, can he say how soon and what sums would be involved in these repairs?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, the reply to the question is as follows:

- (a) Government continues to provide funds to purchase new vehicles and equipment for use by local government bodies in order to provide adequate services to people of the various municipalities.
- (b) Three compactors were purchased early this year by the Port of Spain Corporation at a cost of \$900,000.00. The following corporations have taken steps to purchase vehicles and equipment during 1992 as follows:-

| Corporations | Item | Estimated Cost |
|---------------------------|--------------------------------------|----------------|
| Port of Spain Corporation | 2 flat tray trucks | \$400,000.00 |
| Old San Juan | | |
| Regional Council | 1 long based jeep | \$120,000.00 |
| | 1 brush cutter with blade attachment | \$119,271.00 |

*Oral Answers To Questions**Friday, July 24, 1992*

| | | |
|--|---|--------------|
| Old Regional Municipality of Couva | 1 wheeled tractor with brush cutting attachment | \$220,000.00 |
| Municipal Corporation of Penal/Debe | 1 cess pool emptier | \$300,000.00 |
| Regional Municipality of Siparia | 1 dump truck | \$160,000.00 |
| | 1 jitney | \$80,729.00 |
| Old Regional Municipality of Mayaro | 1 two-wheeled drive van | \$80,268.00 |
| Total | \$1,480,468.00 | |

The total anticipated expenditure for purchase of equipment and vehicles for 1992 is \$2,380,468.00.

In January 1993 the following pieces of vehicle equipment ordered in 1991 are expected to be delivered to corporations as follows:

| | | |
|--|---------------------|------------------------------|
| Old Regional Municipality of Laventille | 1 cesspool emptier | \$200,800.00 |
| Regional Municipality of Rio Claro | 1 cesspool emptier | \$200,800.00 |
| Regional Municipality of Princes Town | 1 cesspool emptier | \$252,931.00 |
| Regional Municipality of Tunapuna | 2 refuse compactors | \$265,732.00 \$284,091.00 |
| Total Cost: | | \$1,204,354.00 |

2.15 p.m.

(c) Does not apply.

(d) In 1992, the sum of \$4,284,088 was allocated for repairs to vehicles and equipment. As at May 31, 1992 the sum of \$1,554,384 had been expended by 15 of the 18 corporations on repairs to vehicles and equipment as follows:

| | Allocation Amount Spent | |
|------------------|-------------------------|----------------|
| POS Corporation | \$500,000 | \$255,238 |
| San Fernando | 100,000 | 150,134 |
| Arima | 150,000 | 161,432 |
| Point Fortin | 117,500 | 46,570 |
| Chaguanas | 1,600,000 | 249,000 |
| | | (End of April) |
| Diego Martin | 130,000 | 33,500 |
| Laventille | 150,000 | 80,655 |
| San Juan | 210,000 | 54,137 |
| Tunapuna | 380,000 | 220,000 |
| Sangre Grande | 150,000 | 28,370 |
| Couva | 4,000 | 300 |
| Rio Claro | 200,000 | 102,300 |
| Siparia | 227,588 | 103,000 |
| Penal/Debe | 1,000 | - |
| Princes Town | 160,000 | 81,200 |
| Mayaro | 164,000 | 15,184 |
| Total Allocation | \$4,284,088 | \$1,554,384 |

Mr. Hosein: Madam Speaker, I should like to ask several supplementary questions.

Madam Speaker: Since there are so many questions on the Order Paper, I will allow two supplementary questions per Member.

Mr. Hosein: Who determines whether new equipment is going to be purchased and, how many requests for new equipment are normally made from these local government bodies?

Is the Minister also satisfied—

Madam Speaker: I said two questions will be allowed per Member. Will you kindly allow the Minister to answer the first, and then you can proceed with your second question.

Hon. K. Valley: The second part of the question suggests that the Member knows the answer to the first part. The second part talks about how many requests come to the Ministry of Local Government, and the first part asks who determines the equipment bought by the local government bodies.

Obviously, it is based on the budget of the local government bodies, and the priority they attach to the equipment. That is the simple answer.

Mr. Hosein: Is the hon. Minister saying that the Ministry of Local Government determines when and how much money a local government authority gets to purchase new equipment?

Hon. K. Valley: Obviously, the Ministry of Local Government, as the overseeing body, would want to look at the overall estimate and, in conjunction with the Ministry of Finance, will determine the allocation for a particular council, but the decision concerning the priorities of that council would be determined at the local level.

Erosion of House Lots (Cipero River Banks)

91 Mr. Subhas Panday (Naparima) asked the Minister of Works and Transport:

Can the Minister of Works and Transport state what immediate steps are being taken to prevent the erosion of house lots on the banks of the Cipero River in the constituencies of Naparima, San Fernando East and San Fernando West?

The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, the Ministry of Works and Transport proposes to deal with the question of flooding and erosion caused by the Cipero River using both long-term and short-term approaches.

In the long-term it is proposed to have detention basins constructed upstream in order to store flood waters and allow for controlled release of the water, thus allowing a controlled flow in the river. It is intended to commission detailed studies for the construction of these basins later this year. It is envisaged that the

study will take approximately five months to complete, after which the necessary designs for the detention basins will be undertaken. Actual construction work is expected to begin in 1994 and on completion it is anticipated that flooding caused by the Ciperio River will be reduced significantly.

In the short term, it is proposed to divert the Ciperio River in two locations downstream at its intersection with the San Fernando Bypass. This work is intended to alleviate flooding, particularly in the Green Acres and surrounding areas and to generally lower the flood levels in the river. This work is expected to begin in January 1993, and should take five months to complete at a cost of approximately \$600,000. The feasibility of other short-term hydraulic control measures for the river, such as dredging of the river's outfall is also under examination at present.

Health Hazards (Ciperio River)

92. Mr. Subhas Panday (*Naparima*) asked the Minister of Health:

Can the Minister of Health state what immediate steps, if any, are being taken to cease the nuisance and health hazards caused to residents in the vicinity of the Ciperio River in the constituencies of Naparima, San Fernando East and San Fernando West as a result of the emission of effluents into the Ciperio River by Caroni (1975) Limited?

The Minister of Health (Hon. John Eckstein): Madam Speaker, Caroni (1975) Limited has advised and the ministry is aware that Caroni has constructed a sump and associated biological treatment plant some distance from the Ciperio River. The effluent from the Ste. Madeleine sugar factory is directed to the sump. The lighter liquid matter from the sump is pumped into the treatment plant. A solid residue is spread over cultivation fields and only the discharge from the treatment plant is allowed to flow into the river. In addition, the Environmental Division of the Ministry of Health is exploring with Caroni (1975) Limited, such initiatives as are required to deal with any occasional environmental problem that might arise due to the operation of the Ste. Madeleine sugar factory.

2.25 p.m.

Unemployment Relief Programme

100. Mr. Sahid Hosein (*Siparia*) asked the Minister of Works and Transport:

Can the Minister indicate:

(a) If the Special Programme for Unemployment Relief has started?

- (b) If not, when will it start?
- (c) What is or will be the criteria used for selection of persons to be employed in this programme?

The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, in answer to part (a) of question No. 100, I wish to advise this honourable House that the Special Programme for Unemployment Relief started on June 9, 1992, at Siparia.

In answer to part (c), skilled and unskilled workers are being selected on the basis of qualifications, experience and economic need.

Local Government Estimates

101. Mr. Sahid Hosein (Siparia) asked the Minister of Local Government:

Can the Minister of Local Government indicate:

- (a) If the instructions have gone out to local Government bodies for the submission of estimates for the 1992—1993 fiscal year?
- (b) If the answer is yes, what instructions were given with regard to development funds?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, to reply to question No. 101, part (a), yes, instructions were sent out to local Government bodies for the submission of draft estimates for the 1992/1993 fiscal year in May and again in June of 1992.

Instructions were given in Ministry of Finance, circular No. 6, dated April 29, 1992, to all ministries, Permanent Secretaries and Heads of Departments; and the Ministry of Local Government circular went to Chief Executive Officers of municipal corporations.

In answer to part (b), local government bodies were also requested to submit in order of priority projects for implementation under the development programme based on the following assumptions:

- (1) That the allocation in 1992/1993 would be the same as for the last fiscal year;
- (2) That the allocation in 1992/1993 would be 50 per cent more than for the last fiscal year;

- (3) That the allocation in 1992/1993, would be 20 per cent more than for the last fiscal year; and,
- (4) that the allocation in 1992/1993 would be 20 per cent lower than for the last fiscal year.

**Agricultural Tribunal
(Subsistence for Sittings)**

103. Mr. Subhas Panday (*Naparima*) asked that the Minister of Agriculture, Land and Marine Resources:

- (a) Can the Minister state the subsistence per sitting given to each Member of the Agricultural Tribunal appointed under the Agricultural Small Holdings Act Chap. 59:53 as amended?
- (b) Will this sum be increased and, if so, when?

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, the Chairman of each Tribunal receives \$30 per sitting and members receive \$20 per sitting.

There are no immediate plans to increase the remuneration to the Chairmen and members of the Agricultural Tribunal.

**Gran Couva RC School
(State of)**

115. Mr. Raymond Palackdharrysingh (*Caroni Central*) asked the Minister of Education:

Would the Minister state:

- (a) Whether he is aware of the deplorable conditions existing at the Gran Couva primary school?
- (b) If the answer is in the affirmative, would the Minister indicate whether he intends to take immediate action to ensure the safety and comfort of students and teachers at this school?
- (c) Whether there are any plans to rebuild this school and, if so, when?

The Minister of Education (Hon. Augustus Ramrekersingh): Madam Speaker, part (a): The Minister of Education is aware of unsatisfactory conditions at the Gran Couva Catholic Primary School and has agreed on a course of action

to correct them. The school, however, is under the ownership and control of the Catholic Board of Education, which has the responsibility for implementation.

In 1985, as a result of the improvement works undertaken at a total cost to the Government of Trinidad and Tobago of \$243,296, the Gran Couva Catholic Primary School consisted of a single-storey timber structure over 40 years old, and a concrete annex.

These works, undertaken during the course of 1984/85 were as follows:

- (1) Construction of an annexe to accommodate two additional classrooms and the principal's office;
- (2) General structural repairs and painting to the school building; and
- (3) Construction of a flush-type toilet block.

In 1990, however, further inspection revealed that the roof, walls, flooring and ceiling of the original timber structure were so severely termite-infested that the building was deemed unfit for use by the Acting Chief Designs Engineer and the County Medical Officer of Health, County Caroni.

The result is that an internal double-shift system was introduced in the annexe and the use of the timber building discontinued. This internal shift system, which was initiated in October, 1990, is still in operation. The annexe is in good condition and provides adequate temporary accommodation.

Parts (b) and (c): Plans for construction of a new school in accordance with an approved architect's brief supplied by the ministry, have been completed by the Catholic Education Board of Management and forwarded to the appropriate government agencies for approval. The plan proposes the construction of a two-storey building with nine classrooms and additional separate rooms for music, library, arts and science, a principal's office and the necessary sanitary facilities.

The plans for reconstruction of the Gran Couva Catholic Primary School, after they have been approved by the various government agencies, must be submitted, along with the estimates and bills of quantities to the Ministry of Education for final approval.

The Ministry of Education is in contact with the board of management and when the plan is submitted, subject to the availability of funds, the ministry will seek to ensure start of construction of the school.

Bridge
San Francisco Land Settlement

116. Mr. Raymond Palackdharrysingh (*Caroni Central*) asked the Minister of Local Government:

- (a) Is the Minister aware that the San Francisco Land Settlement Road Bridge is closed because it is in a state of total disrepair?
- (b) If the answer is in the affirmative, would the Minister state what plans he has to deal with the situation and when he intends to implement them?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, the answer to part (a): Yes, the Minister is aware that the San Francisco Land Settlement Road Bridge is closed because it is in a state of total disrepair.

Part (b): The Couva Regional Corporation intends to demolish and rebuild the entire structure. The engineering unit of the Ministry of Local Government is assisting the corporation on technical matters. Preliminary surveys are being done in order to cost the project and the cost is estimated to be close to \$600,000.

Mr. Palackdharrysingh: Madam Speaker, I think the Minister did not respond to the part of my question where I asked

"...would the Minister state what plans he has to deal with the situation and when he intends to implement them?"

That "when" is very important, Madam Speaker.

Hon. K. Valley: Madam Speaker, perhaps I should point out that it is not the Minister, it is the Couva Regional Corporation. And the Minister does not now and will not determine the priorities of the Couva Regional Council, or any other council, for that matter.

Mr. Palackdharrysingh: Madam Speaker, will the Minister state whether or not he intends to release the funds to the Couva Regional Corporation *per se* and how soon?

Hon. K. Valley: Yes, Madam Speaker, in reply to a question previously, I stated quite clearly that we have asked the various councils to do their estimates

for the year 1992/93 under certain assumptions. It depends on the availability of funds. So the Couva Regional Council would have to determine the priority given to the projects and given the availability of funds, they would undertake the project.

The following question stood on the Order Paper in the name of Mr. R. Palackdharrysingh (Caroni Centre):

UWI—Staff Cutbacks

- 117.** (a) Is the Prime Minister aware that the University of the West Indies is forced to make cutbacks on its academic and non-academic staff as well as basic services?
- (b) If the answer is in the affirmative, would the Prime Minister state what plans he has to deal with this situation and when he intends to implement them?

Question, by leave, deferred.

POS General Hospital

122. Dr. Carl Singh (Tabaquite) asked the Minister of Health:

Could the Minister state:

- (a) How many X-ray Units (Specialist/General) comprise the full complement required at the Port of Spain General Hospital?
- (b) How many of those installed are non-functional and why?
- (c) How soon will those that are non-functional be repaired and put in full use?

The Minister of Health (Hon. John Eckstein): Madam Speaker, at present there are 14 X-ray machines at the General Hospital, Port of Spain. Of the 14 units, eight are fixed-installed and six are portable. Four of the installed units are specialist and four general purpose machines. Three of the eight installed units and six portable units are operational and in use. The hospital administration advises that the three installed units which are functioning and the six portable units are adequate to meet the needs of the hospital. The main constraint is the inconvenience caused by the unavailability of a functioning unit in the accident and emergency department.

Answer to part (b): Of the eight installed extra units, five are not operational. Four of the non-operational machines are obsolete and uneconomical to repair. The other, located in the accident and emergency department is not in use at present as a result of the emission of fumes by the film processor into the general work area.

Certain structural works are necessary for the unit installed in the accident and emergency department to be brought into operation. These works are scheduled to commence in the fourth quarter of 1992. The obsolete units will not be put back into service.

Dr. Singh: Could the Minister state how long the unit in the casualty department has been non-functional, and, is there a processor unit attached to the other section of the hospital?

Hon. J. Eckstein: The unit has not been functioning for some considerable length of time. I cannot give the Member the precise date, but it is a matter which we are seeking to address.

I am not aware whether there is a processor attached to another unit in another department. I can get that information and make it available to him.

Hyatali Commission Report

123. Mr. Shamshuddin Mohammed (*Caroni East*) asked the hon. Prime Minister:

Will the Prime Minister state:

- (a) What is the present position with regard to the Hyatali Constitution Commission Report?
- (b) What plans, if any, his government has for dealing with this Report?

The Attorney General and Minister of Legal Affairs (Hon. Keith Sobion): Madam Speaker in June, 1991, a Joint Select Committee of both Houses of Parliament was appointed to consider the Report of the Constitution Commission of 1987.

The Joint Select Committee submitted an interim report which contained the recommendations with respect to Chapters III to VII of the Report of the Constitution Commission.

On October 30, 1991, the interim report of the Joint Select Committee was laid before the Senate, and on November 4, 1991, it was laid before the House of Representatives. Government has since referred the report of the Commission to the Legislation Review Committee of Cabinet for further study.

Ministerial Trips

124. Mr. Shamshuddin Mohammed (*Caroni East*) asked the Prime Minister:

Will the Prime Minister state:

- (a) The Number of overseas trips made by Members of Cabinet since assuming office?
- (b) Will he give details of such trips, including:
 - (i) Names of Cabinet Members making such trips?
 - (ii) Officials accompanying such Ministers?
 - (iii) Places visited?
 - (iv) Purpose of each trip?
 - (v) Cost of each trip?
 - (vi) Total cost to date of all such trips?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): I am sorry, Madam Speaker we have to ask for a deferral of question No. 124.

Perhaps I should take this opportunity to inform Members—I do not think I need to—but on the Order Paper there were 23 questions, three were deferred because of the absence of the Member for Couva South; we are answering 16 questions; and we are asking for deferral of four.

Madam Speaker: Deferral for what period?

Mr. Valley: For two weeks.

Question, by leave, deferred.

**Armour Street, Princes Town
(Repairs to)**

126. Mr. Mohammed Haniff (*Princes Town*) asked the Minister of Local Government:

Would the Minister of Local Government state when Armour Street in Princes Town will be repaired and what the estimated cost will be?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Armour Street, in Princes Town, which was dug up by WASA at the beginning of 1991 to lay water mains, is expected to be repaired by WASA in the fiscal year, 1992/1993.

The estimated cost of repairs is \$115,000. Repair works include the strengthening and resurfacing of the roadways.

Mr. Haniff: Madam Speaker, can the Minister state whether his Ministry and the Princes Town Corporation intend to take any temporary steps to relieve the pain and difficulty being experienced by the users of Armour Street, in the light of the fact that WASA dug it up at the beginning of 1991, and it is likely to be repaired? The Minister said, either late this year or early next year.

Hon. K. Valley: Madam speaker, I can inform the Member that by the end of May, 1992, the Princes Town Corporation undertook minor repairs to the part of the roadway that was accessible to vehicular traffic, using Guaracara metal and oil sand.

The following question stood on the Order Paper in the name of Mr. M. Haniff (Princes Town):

Princes Town Market

- 127.** (a) Would the hon. Minister of Local Government state whether he has received a copy of the report from the Chaguanas Market Committee?
- (b) If the answer is in the affirmative, would the hon. Minister state what plans his ministry has for the development of the Princes Town Market?

Question, by leave, deferred.

**Torrib/Tabaquite Road
(State of)**

128. Mr. Mohammed Haniff (*Princes Town*) asked the Minister of Works and Transport:

- (a) Would the hon. Minister state whether he is aware that when it rains, school children from Unis Road off Torrib/Tabaquite Road cannot get to school?
- (b) If the Minister is so aware, could he indicate what steps are being taken to rectify this situation?

The Minister of Works and Transport (Hon. Colm Imbert): The answer to part (a): No, the Minister is not aware.

The Minister is, however, aware that Unis Road is in need of urgent attention and that work in repair of the road surface has begun. This work is scheduled to be completed in approximately three weeks' time.

The following questions stood on the Order Paper:

**Foreign Universities
(Tuition Fees)**

135. Would the hon. Minister of Foreign Affairs state:

- (a) Whether he is aware that certain developing countries have negotiated with foreign universities and colleges to have lower tuition costs at these institutions for their students?
- (b) What steps have been taken by this Government to negotiate on behalf of students of this country attending foreign universities to have fees lowered so as to allow their citizens to afford the cost? [*Mr. C. Sharma*]

**Overseas Voting
(General Election)**

137. (a) Would the hon. Prime Minister indicate to this House whether he intends to permit Trinidad and Tobago nationals resident abroad to vote in this country's next general election?

- (b) If the answer to (a) is in the affirmative, would he indicate what amendments to the law he intends to make and what machinery he intends to put in place to accomplish this objective? [Mr. C. Sharma]

**Recreation Ground
(Endeavour)**

- 143.** (a) Would the Minister of Local Government state whether any steps have been taken or are being taken to acquire lands for a recreation ground for the people of Endeavour in the Chaguanas constituency?
- (b) If not, would the Minister state whether he has initiated such action or intends to do so? [Miss H. Bhaggan]

Pierre/Tahadille Complex

- 144.** (a) Would the hon. Minister of Planning and Development provide details of all costs incurred in the construction of the Pierre/Tahadille Multi-Cultural Complex in the Chaguanas Constituency?
- (b) Would the Minister state the amount of funds required for completion of this complex?
- (c) Would the Minister state whether this government intends to complete this project?
- (d) If in the affirmative, would the Minister indicate when steps will be taken to do so? [Miss H. Bhaggan]

Questions, by leave, deferred.

WRITTEN ANSWERS TO QUESTIONS

The following questions stood on the Order Paper:

**Police and Fire Services
(Admissions)**

- 136.** (a) Is the Minister of National Security aware that many applicants to the Police Service and Fire Service have been admitted to these services though they have not met the qualifying criteria?
- (b) Could the Minister furnish this House with a list of the officers recruited to these services, together with their qualifications for the period 1991—1992? [Mr. C. Sharma]

The following question was asked by Ms. Hulsie Bhaggan:

Missing Persons

- 142.** (a) Would the Minister of National Security state for each year over the last ten years, the names, addresses, sex and age of persons who have disappeared without trace in Trinidad and Tobago?
- (b) Would the Minister indicate to the House whether any special steps or measures have been taken or are being taken to deal with cases of missing persons?
- (c) If in the affirmative, would the Minister indicate what are these special steps or measures? [*Miss. H. Bhaggan*]

Questions, by leave, deferred.

**ADMINISTRATIVE DECENTRALIZATION
(MINISTRY OF HEALTH)**

The Minister of Health (Hon. John Eckstein): Madam Speaker, hon. Members will recall that on Friday, March 20, 1992, I made a statement in this House wherein a report was made on the Government's initiatives designed to improve the functioning and operational efficiency of the Ministry of Health. Among the initiatives then discussed was the administrative decentralization of the Ministry of Health.

I reported that the Cabinet had adopted then as official Government policy a promise on administrative decentralization which formed part of our party's 1991 election manifesto. That statement promised:

"To improve the management of secondary health care institutions through a system of decentralization with individual accountability under the umbrella of a national management system."

Specifically with respect to secondary health care institutions, the manifesto gave a commitment to:

- "(1) The establishment of hospital boards responsible for day-to-day administration;
- (2) the establishment of a hospital corporate unit at the central level to aid the Minister of Health in the formulation of a national health policy to:
- monitor progress and standards;

- approve budgets;
- provide authority for the addition or deletion of services at particular hospitals.

It was also pointed out in the said statement that I did not wish to give this honourable House the impression that confidence in the capacity of administrative decentralization to radically transform the Ministry of Health and increase its operational efficiency was a position held only by the Government.

I acknowledged then and I do so again today, the fact that in the election of 1991, every major party which contested that election—including the parties represented by Members opposite—had promised, if elected, to introduce some measure of administrative decentralization in the Ministry of Health, as it appeared to be the only real hope for improving the operational efficiency of the ministry.

Madam Speaker, the conclusion drawn from this happy conjuncture of opinions was that there exists consensus across the entire political landscape on the desirability of administrative decentralization in the Ministry of Health.

In concluding the statement, it was announced that a study had been commissioned within the Ministry of Health with a mandate to translate the policy position of the government into an implementable set of concrete proposals.

Madam Speaker, I am happy to report that following four months of intense discussion and consultation among heads of the various sections of the Ministry of Health, the report was finally completed and submitted to the Cabinet for its consideration. The report has been accepted by the Cabinet and the Minister of Health was authorized to make the document public and to invite comments from all interested parties—Members opposite, the various publics in the Ministry of Health, members of the media and the public at large—and to take all views received into consideration in arriving at a broad consensus on the decentralization strategy best suited to effect the desired transformation in the Ministry of Health.

For the benefit of those who might not find the time to read this report, let me summarize briefly the decentralization strategy recommended by the Ministry of Health and which the government proposes to place before the country for its consideration. The strategy involves:

- (a) The utilization of the primary health care approach to effect a functional integration of all the health institutions within a region'

- (b) Decentralization to be effected through the establishment of regional health authorities, each regional authority having the responsibility for the commensurate authority to ensure the day-to-day management of hospitals and health centres within well-defined geographic areas; and
- (c) A Ministry of Health, the role of which is mainly that of policy formulation and monitoring the operational units to ensure that the function within their established policy framework. In addition the Ministry of Health will retain direct responsibility for the administration of the following vertical programmes:
 - Insect Vector Control Laboratory;
 - Central Supplies Division;
 - National Blood Transfusion Service;
 - Nutrition Laboratory;
 - Chemistry, Food and Drug Division;
 - Biomedical Engineering Services;
 - Trinidad Public Health Laboratory; and
 - The National Ambulance Service.

The Government gives the assurance that these recommendations, suitably modified, of course, to reflect the views now being solicited, will be implemented with the greatest dispatch, for we are confident that the result will be a new dawn for the provision of health services in the country and an opportunity for the Ministry of Health to emerge from the darkness that has for so long frustrated its best efforts to provide quality health care to the people of Trinidad and Tobago.

Just a few night ago I listened as one of my colleagues expressed in very elegant language a most excellent idea. He said:

"Do not curse the darkness, strike a match instead."

The recommendations embodied in the Ministry's report is the match, better yet, the torch—to use the imagery of the Games now upon us—which the Government hopes will light the way forward for the Ministry of Health.

We invite Members opposite to assist the ministry and the Government in carrying the torch, for the health of this nation cannot be a partisan matter. I am

positive of a favourable response to this invitation for, as I have noted before, one thing on which we are all agreed is the necessity for decentralization as a mechanism for bringing a greater level of efficiency to the Ministry of Health.

Madam Speaker, we on this side are aware, and the document itself makes the point, that the proposals it contains call for fundamental and sweeping reform of the public health system, and that such radical change is always difficult to introduce. But whatever the difficulty, my sincere hope, as I said in my earlier statement, is that when the history of this Parliament is written, that history will record that Members here acted as one, made the difference; that this Parliament through appropriate legislation provided the opportunity for the introduction of a system of hospital and health administration that brought an end to years of archaic systems of management in our hospitals with the inevitable frustration of our management sources and the underutilization of the available physical and financial resources; and, finally, Madam Speaker, that Members of this Parliament facilitated the development of physical facilities where the sick could be treated and recuperate in dignity and where our health workers could perform their healing and lifesaving miracles in facilities that are second to none.

I thank you, Madam Speaker.

CARONI (1975) LIMITED

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, the People's National Movement, fully cognizant of the importance of Caroni (1975) Limited in the national landscape of Trinidad and Tobago, had this to say on page 17 of our 1991 manifesto:

"The PNM recognizes the critical socio-economic importance of Caroni Limited and therefore is committed to preservation of the Company and its growth and development as a fully diversified agro-processing company. The PNM believes that the future of Caroni Limited must be the subject of agreement between the Government and the relevant trade unions."

Despite its precarious financial position and a myriad of other problems, Caroni (1975) Limited continues to make a positive contribution to the economy of Trinidad and Tobago by:

- (1) Providing direct employment for almost 10,000 persons;
- (2) Purchasing cane from over 5,000 farmers;

Caroni (1975) Ltd.

Friday, July 24, 1992

- (3) Purchasing services from a variety of contractors and suppliers;
- (4) Earning approximately TT \$140 million each year from sugar exports.
- (5) developing agricultural diversification programmes which have significant import substitution and import potential;
- (6) utilizing for the growing of cane, large acreages of heavy clay soils which are not very suitable for the cultivation of other crops.

It is in this context that it is stated in the manifesto that Caroni (1975) Limited is of:

"strategic importance and therefore it will be in a position to play a major role in the execution of the National Agricultural Policy."

2.55 p.m.

In order to give effect to the stated commitment, I announced in this honourable House during the budget debate in January, that this Government will take all necessary steps to bring together all the major stakeholders in the industry, that is, the cane farmers, the labour unions, the company and the Government itself as trustee for the wider national interest to analyze the current situation and chart a new course in the formulation of an implementable plan of action on which there can be broad agreement. In short, Madam Speaker, the Government made the commitment to work towards the creation of a new dawn for Caroni (1975) Limited.

The company is technically insolvent and is burdened by substantial debts with no hope of being discharged in the existing arrangements and operations. It tenuously provides a livelihood for many and, directly or indirectly, impacts significantly on, at least, 20 per cent of the national population. Under these circumstances, the only option which is not available to the Government is the option of "business as usual." Without an initiative such as that to which we have committed ourselves, the inevitable outcome is sure to be the eventual collapse of the company with disastrous consequences for the national economy and the socio-economic fabric of Trinidad and Tobago.

On February 22, 1992 a new board was appointed to the company. On Friday April 3, 1992, I announced in this House that the Cabinet had appointed a tripartite committee, chaired by Dr. Kusha Haraksingh, the new Chairman of Caroni (1975) Limited. Other members who were nominated by the Government to the committee are:

Caroni (1975) Ltd.
[HON. K. ROWLEY]

Friday, July 24, 1992

| | | |
|-------------------------|---|---|
| Permanent Secretary | - | Ministry of Finance |
| Permanent Secretary | - | Ministry of Agriculture, Land and Marine Resources |
| Mr. Carl Nurse | - | Financial Controller, Caroni (1975) Limited |
| Mr. Dennis Pantin | - | Economist, UWI |
| Mr. Russell Wotherspoon | - | General Manager, Caroni (1975) Limited |

The workers' unions were represented by the President General and General Secretary of the All Trinidad Sugar and General Workers' Trade Union, as well as a member of the Association of Technical and Allied Services Section.

The cane farmers' unions were represented by Mr. Raffique Shah of the National Farmers and Workers Union and Mr. S. Ramsingh of the Trinidad Islandwide Cane Farmers Association.

The terms of reference were to examine and agree on matters relating to the following issues:

1. Strategic Plan for Caroni (1975) Limited
 - (a) The role of Caroni (1975) Limited as a sugar cane producer.
 - (b) The role of Caroni (1975) Limited as a sugar producer.
 - (c) Refinery Operations
 - (d) Asset Management and Utilization
 - (e) Managing the Human Resources including the cane farming sector in relation to the above-mentioned items.
 - (f) Pension Plan.
2. Financial Considerations
 - (a) The debentures and its effect on the insolvency of Caroni (1975) Limited.
 - (b) The Management of Government's indebtedness to Caroni (1975) Limited for local government services and land utilization.
 - (c) The company's indebtedness in general.

Caroni (1975) Ltd.

Friday, July 24, 1992

- (d) The utilization of the revenue stream derived from the recent increases in the price of sugar.
- (e) The outstanding arrears/benefits issue.
- 3. The Acceleration of the Diversification Programme focussing on:
 - (a) Agro processing and livestock
 - (b) Increase Land development
 - (c) Human resource improvement in the Diversification Programme.
- 4. Land Management
 - (a) Future of the officially tenanted lands
 - (b) Request for short-term leases for short crops
 - (c) Squatter Regularization on Caroni Lands;
- 5. The long-term survival of Caroni (1975) Limited as a viable, bankable operation, including—
 - (a) Institutional responsibilities
 - (b) Organizational structure of the company
 - (c) Joint ventures; and
 - (d) Human resource improvement.

This tripartite committee was inaugurated on Monday, April 6, 1992 and immediately commenced work with a view to presenting its report within the stipulated time-frame of twelve weeks.

It is with extreme satisfaction that I report to this honourable House that the committee has completed its work and has reported. Complete agreement has been reached. The Government now takes this opportunity to lay the report before Parliament and to indicate that we intend to have it debated very shortly.

Madam Speaker, permit me, on behalf of my ministry, the Government, and I dare say, the national community as a whole, to place in the parliamentary record our heartfelt thanks to those members of the tripartite committee and the supporting staff who contributed to this successful outcome of a very critical exercise.

Caroni (1975) Ltd.

Friday, July 24, 1992

[HON. K. ROWLEY]

The report is a model of consensus. It augurs well for the country's future. It is concise but comprehensive in its treatment of all the relevant issues related to the troubled company of Caroni (1975) Limited. It deals with the precarious financial situation of the company. It objectively addresses issues such as financial and organizational restructuring, diversification, human resources and even the thorny issue of back pay to the company's workers. The strength of the report lies in the fact that it was commissioned to be solution-orientated, and this has been achieved. The report has several palatable solutions to long-standing problems.

Madam Speaker, permit me to highlight just a few of the points of agreement on some of the major issues:

1. Over the period 1976 to 1992, the Government advanced \$2.138 million to Caroni (1975) Limited. This is represented as unrepayable loans on the books. The plan requires that these loans be treated as a subvention and that the profit and loss statement of the company be adjusted to reflect the accrued interest related to the loan capital.

It also requires that the Debentures which the Government now holds on payable loans already discharged should be released.

Additionally, over the years, the company has accrued liability of \$200 million which relate to non-payment of PAYE, VAT, Health Surcharge and Lands and Buildings Taxes. The plan calls for this to be settled.

2. The plan calls for a major organizational restructuring which seeks to assign the elements of strength drawn from the company as a single entity with those which are obtainable from a decentralized method of operation.

The organizational structure to be put in place will have the characteristic of a single company comprising three major divisions, namely: Services Division, Sugar Division, and Diversification Division, which includes Land Management. The management and accounts of these units will be independently identifiable.

3.05 p.m.

It is proposed that the new units will function largely like subsidiary companies, while being part of a single company. Further, each division will be subdivided into discrete units. The platform will therefore have been created for subsidiaries, not only in intention, but also in legal fact, and hence for divestment

Caroni (1975) Ltd.

Friday, July 24, 1992

with proper conditions at a time when the return from any such manoeuvre is certain to be more attractive than at present.

3. With respect to the overall size of the sugar industry, the recommendation is for a target of 125,000 tonnes of sugar annually. A 60:40 ratio of farmers' cane to company's cane is to be achieved by 1997.
4. Cane farmers will be paid for cane on the basis of quality, rather than volume, as currently prevails. The Seemungal Formula by which the price of farmers' cane is established is outmoded and will be revised.
5.
 - (a) The percentage of company cane which is mechanically harvested is to be increased by 35 per cent over the next five years.
 - (b) The company and the cane farmers are to embark on a programme to replace outdated cane varieties with newer high-yielding selections.
6. While no drastic retrenchment forms part of the plan, the labour force is to be significantly reduced. Therefore, an attrition programme will be facilitated by revision of the pension plan and downward adjustment to the retirement age.
7. There is a recommendation for the domestic price of sugar to be increased by 15 per cent with effect from January 1993.
8. Caroni Limited would cease to discharge local government functions except through commercial arrangements with the relevant local government bodies.
9. With respect to the seemingly intractable backpay issue, agreement has been reached to permit the company to discharge its obligation over time. Among the considerations is a package of measures which requires that *inter alia* the company make a payment of \$30 million before the commencement of the next crop.
10. The development programme for certain specific activities is to be accelerated after rigorous scrutiny.
11. The plan requires the commitment from Government for capital investment in the company to the tune of \$80 million spread over the next five years.

Caroni (1975) Ltd.
[HON. K. ROWLEY]

Friday, July 24, 1992

12. The plan requires the creation of a joint-venture unit to facilitate wider participation in aspects of the industry such as Caroni Distillery which is currently operating at 20 per cent of its installed capacity. Under this initiative it is anticipated to break even within two years as production is pushed towards its installed capacity of 2 million gallons.

Madam Speaker, you will recall when I placed this item squarely on the forefront of the national agenda, it was stated that the objective was to create a bankable entity out of Caroni Limited. The measures outlined before, among others, would have the effect of transforming the balance sheet of the new company from one which now shows a horrendous loss position, to one which will reflect net assets of \$217 million. Clearly, this new entity can approach its bankers or an interested joint-venture investor with confidence.

The Committee recognized that any feasible outcome from this plan would be dependent on radical improvement in the quality of management provided to the company. To this end, recognition is given to the fact that the company will have to source the best talent available.

The restructuring of the company is to follow a course of action towards break-even and profitability over a period of five to eight years.

Cognizant of the ever-changing environment in which we are forced to operate, the plan includes some element of flexibility and room for manoeuvring to deal with these possible sources of derailment.

The plan seeks to close the technology gap concurrently with a thorough revamping of the organizational structure, a vigorous pursuit of the diversification options and a conscionable handling of the social contract between the company and its workers, as well as the cane-farming community.

The new footing on which this report attempts to put Caroni (1975) Limited should find firm ground if the constraints under which the company has for long operated, are removed. This initiative seeks to confront and address those obstacles.

The Government's resolve to implement what we have agreed upon can only be hampered by the unavailability of capital resources. However, to ensure that this possibility is minimized we have been taking parallel steps as we worked at the Tripartite Committee stage. The Government has already been seeking possible sources of external funding for Caroni (1975) Limited and the engineering and managerial needs have already been the subject of expert evaluation.

Caroni (1975) Ltd.

Friday, July 24, 1992

Finally, Madam Speaker, given these developments under the current initiative, it is opportune for us to devise and reinforce a new mission statement for the company.

Additionally, if, as we believe, a new dawn will see Caroni (1975) Limited into a new and better day, it is reasonable that the name of the enterprise be changed to one which more accurately reflects its new horizons and responsibilities. To this end, the nation's school children will be invited to participate in the naming process.

I thank you, Madam Speaker.

BUSINESS OF THE HOUSE

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, I seek leave of the House to lay the papers in the House at this time.

Leave granted.

PAPERS LAID

1. Report of the Auditor General on the Accounts of National Flour Mills Limited for the year ended December 31, 1987. [*The Minister of Finance (Hon. W. Mottley)*]
2. Report of the Auditor General on the Accounts of National Flour Mills Limited for the year ended December 31, 1988. (*Hon. W. Mottley*)
Papers Nos. 1 and 2 to be referred to the Public Accounts (Enterprises) Committee.
3. Report of the Supervisor of Insurance for the year ended December 31, 1991. (*Hon. W. Mottley*)
4. Report of the Auditor General on the Accounts of the Eric Williams Medical Sciences Complex Authority for the three month period ended December 31, 1989. (*Hon. W. Mottley*)
5. Report of the Auditor General on the Accounts of the Eric Williams Medical Sciences Complex Authority for the year ended December 31, 1990. (*Hon. W. Mottley*)
6. Report of the Auditor General on the Accounts of the Sport and Culture Fund for the year ended December 31, 1989. (*Hon. W. Mottley*)
7. Report of the Auditor General on the Accounts of the Sport and Culture Fund for the year ended December 31, 1990. (*Hon. W. Mottley*)

Papers Nos. 4 to 7 to be referred to the Public Accounts Committee.

8. Report of the Government Appointed Tripartite Committee on Caroni (1975) Limited. [*The Minister of Agriculture, Land and Marine Resources (Hon. K. Rowley)*]

3.15 p.m.

CONGRATULATIONS

Mr. Shamshuddin Mohammed (*Caroni East*): Madam Speaker, may I crave your indulgence to congratulate my friend, the Minister of Agriculture, Land and Marine Resources, on this statement, and on his promptness in bringing this report to the House. May I, Madam Speaker, enquire how soon we can expect it to be debated in the House.

Madam Speaker: The report will be circulated, I think, in a few minutes, and the question of debate will have to be fixed.

Dr. Rowley: Madam Speaker, before answering the Member's question, first let me acknowledge his gracious congratulations, and inform Members on the other side that the debate will take place after consultation with the Opposition.

OMBUDSMAN'S REPORTS

The Minister of Local Government (Hon. Kenneth Valley): Madam Speaker, I beg to move the following motion standing in my name:

Be it Resolved:

That this House consider that it is expedient that a committee of both Houses be appointed to consider all reports submitted to Parliament by the Ombudsman.

Question proposed.

Mr. Trevor Sudama (*Oropouche*): Madam Speaker, may I make one query on this? Do I understand that when this committee sits and considers these reports, they will be brought back to this Parliament for debate by the whole House of Representatives?

Otherwise, what this would in fact be doing, is shunting aside the issues raised by the Ombudsman into committee, which then never gets any publicity. The whole intention is that the Ombudsman, who is an officer of this Parliament, reports to this Parliament, and his reports are debated here. Otherwise, how else would we know whether that office is being effectively performed? We do not know.

I cannot recall the last time, in this House—whether under the previous regime or the PNM regime prior to 1986—that a report of the Ombudsman was debated in this House. I cannot recall.

Therefore, I should like to get an undertaking from the Government, that even if this motion is accepted—without anticipating the motion—the reports of that committee, if it is so established, be brought to this House for debate. Rather than having these endless streams of statements being made to the House and so on, we should be debating real parliamentary business.

Mr. Valley: Madam Speaker, I want to give the Member for Oropouche and Members on the other side, the assurance that it is the intention of the Government to debate, not only the reports of the committee that has been appointed to look at the Ombudsman's reports, but also to have the report of the Public Accounts Committee, as well as the Public Accounts (Enterprises) Committee, debated in this House.

Question put and agreed to.

ANTI-DUMPING AND COUNTERVAILING DUTIES BILL

[THIRD DAY]

Order read for resuming adjourned debate on question [July 17, 1992]:

That the bill be now read a second time.

Question again proposed.

The Minister of Foreign Affairs (Hon. Ralph Maraj) Madam Speaker, I rise to support the Anti-dumping and Countervailing Duties Bill, 1992. Before I proceed further, may I say, that for me, a person harmonious by nature, it is a very nice atmosphere in which to speak, seeing that we have had such instances of potential harmony and co-operation—

Hon. Member: Only by this side.

Mr. B. Panday: That is because Trevor has not spoken yet, but it is coming.

Hon. R. Maraj: I was just about to say that I hope that the peace is not fragile. One heard the hon. Minister of Health talking about general agreement on decentralization in health. We had a report given by the Minister of Agriculture, Land and Marine Resources, which was described as a “landmark in consensus” and if one were to judge by the statements made by the last contributor on the

opposition side, there seems to be general agreement on this bill that we are debating. In particular, I think, the Member for Caroni East, described it as a commendable bill and he is willing to give his support, bearing in mind that certain conditions still have to be fulfilled.

Generally, Madam Speaker, I think there is a nice atmosphere of harmony and co-operation in the House and I think it is a good foundation upon which to build and to continue as we seek to ensure that our Parliament evolves from the tradition of fractiousness and argumentativeness to one of concerted action and objectivity in debate and so on.

3.25 p.m.

Madam Speaker, that is just by way of introduction and, as I said, I am in support of this bill which, to me, is very important in terms of the whole process of modernization of Trinidad and Tobago. To me, that is a key factor. If we do not undergo the process of modernization of our economy and adopt those principles and policies which will make and place us in consonance with international trends, I am afraid, we face the very unhappy prospect of our beloved country being left behind as an anachronism, stagnating in the shallows of fear and timidity, hampered and hamstrung by effete, outdated laws and policies.

For me, this Bill is not just another bill. Indeed, no bill really is, but this anti-dumping legislation must be seen within the context of the monumental international changes which have brought about unprecedented transformations, both economic and political in the world. Of course, the economic and political changes are by no means separate. They are part of a whole tidal wave of transformation which has been sweeping the world. In my view, and in the final analysis, it will effect a permanent metamorphosis on the quality, direction and psyche of human civilization.

Mr. Sudama: When did you last go to America?

Hon. R. Maraj: If the Member for Oropouche wants to make a contribution. I will give way. Instead of mumbling there, if he wants to say something, he is free to talk. Stand and talk, go ahead.

What I am pointing out is the fact that a whole process of globalization and borderlessness has overtaken international economic relations. We have had as well the very potent force of the age of information breaking down barriers. For example, we must never deny the role which the age of information has played in

breaking down the Berlin Wall, or the collapse of the cold war. We have had this age of information breaking down these barriers, and as a result, engendering sympathy, empathy, understanding. There is a situation where the whole of civilization is coming together and people are knowing more about one another and understanding one another. Add to that as well the cataclysmic changes which have taken place on the political landscape and global concerns about the environment, and you begin to get a clear picture of the world of the 21st century, which we are about to inhabit, and in my view, which is already upon us.

Mr. Humphrey: Madam Speaker, I just want the hon. Member to help me particularly by identifying the epicentre of events which have created this tidal wave that he is describing in the most eloquent language, so that we can understand these trends which are leading the planet earth into the 21st century.

Hon. R. Maraj: I do not know if I am qualified at this point to define the epicentre. I think that as time passes, as analysts and historians begin to look back at this age, they will be able to determine the epicentre. Some people believe that the state of the world economy is the major mover. I am—

Mr. Humphrey: In this regard I want to find out from the hon. Member whether he is aware that certain intellectual groups, in a certain part of the western world are claiming that history has ended, and that man has now reached the epitome of his ideological enlightenment, and whether the PNM Government subscribes to that.

Hon. R. Maraj: I want to thank the hon. Member for really helping to lift the level of debate in the House today. The notion that history has ended is indeed a very exciting one. Personally, I am not of the view that it has. I think that we are in a process of evolution in the world. Man is himself in the process of evolution. I do not think that man has reached the height of his powers. I do not think that this Parliament should be allowed to remain in the state in which we have met it. The whole process of evolution is on.

Mr. B. Panday: Tell Manning that. Let me see how brave you are. Tell Manning that.

Hon. R. Maraj: I think the Prime Minister has clearly indicated his intention to help the evolution of Parliament. I want to thank the hon. Member for St. Augustine whom I have always deeply respected, for his intellectual energy and—

Mr. B. Panday: He will take away your ministry, if you do not toe the line. You must toe the line.

Hon. R. Maraj: If the Member for Couva North wants to make a statement, I will sit to allow him.

I am giving the background to this legislation because when you talk about legislation like this, you must locate it within the whole international context to understand what is taking place. I am saying because of the scenario which I have described, Trinidad and Tobago must not be left behind. Modernization, as I want to put it, is the challenge that is forcing us along this path of trade liberalization, upon which we have embarked. We consider it an important aspect of the effort we have to make, as I said, if we are to keep our country in tune with the rest of the world.

I am sure that hon. Members of this House are daily experiencing and witnessing the ramifications and that is evidenced today. I am sure that is why the hon. Member for St. Augustine was provoked to ask those very pertinent questions. I am sure as well, that it is common knowledge that the protectionist policies of the past were as a result of an inward looking orientation, which though necessary and relevant for a while, cannot really last in a world like this. We have moved our country having gained independence, and adopted certain economic policies which can only be described, when you look back at the situation, as inward looking and protectionist.

We sought to gain the commanding heights of the economy, to engender the manufacturing sector by giving them certain conditions under which to operate, but that could not last for long, and certainly not in a world as I have described to you. Once the globalization effort gained momentum, things like protectionism and import substitution had to give way to more open-door policies, in order that we keep our country in tune with the rest of the world.

This whole idea of internationalization has been taking place for some time. It did not come overnight. The point I want to make today is that World Bank or not, structural adjustment or not, we in Trinidad and Tobago would have had inevitably to face the need for maturity and efficiency in our manufacturing sector, and in our entire productive capacity.

I have the propensity whenever I am speaking to take a drink of water. I do not know if someone will provide me with some more. I think I shall eventually drink this entire glass.

3.35 p.m.

We have to modernize if we are to take advantage of the fact that the world is actually on our doorstep. There is no getting away from that. The world is on our doorsteps as it is on the porches of all countries in the world, and we either cower in our little cells and shrink into uselessness, or we manfully gird our loins in the conviction that we, too, have a place in the world; that, indeed, this is our world, and that we have a significant contribution to make towards civilization. I believe Trinidad and Tobago can do that. That is the course upon which we are embarked—to assert our place in the world, to assert ourselves in the world and to express confidence in our destiny.

It has been said that we are adopting these policies because they are imposed on us, but as we would prove, and as has been said before, these are policies that we have internalized as necessary during those years in opposition. I am saying therefore that this bill that we are seeking to pass here today is a statement of confidence in our own future as we prepare ourselves to deal with that world that is right now knocking on our doors.

It is against this background that I want to encourage the honourable House to view the dismantling of the negative list, which is what we are really talking about here and which has given rise to this legislation—the Anti-dumping and Countervailing Duties Bill. The dismantling of the negative list is the root reason for this intended legislation. Both the dismantling of the negative list and this Anti-dumping and Countervailing Duties Bill are mechanisms which will simultaneously prepare us for the market place of the world, and also ensure against unscrupulousness which, if not attended to, can result in unfair trading practices or sub-standard products proliferating in our domestic market.

You have heard that before, you know everybody agrees that this bill is intended to prevent unfair trading practices and to ensure that in our markets we do not have the proliferation of sub-standard, high-priced foreign goods. You have heard from the hon. Minister of Trade, Industry and Tourism of a larger programme of measures which is being prepared and which will deal comprehensively and effectively with what would appear to be a certain vulnerability. It is a fact that there are risks. Everything in life has its risks. Indeed, it is said by some philosophers that where there is possibility, there is also risk.

As a result of this dismantling of the negative list, I am sure a country like ours does indeed appear to be vulnerable, and the hon. Minister has provided us with an

idea of the legislation and the measures that we intend to take to protect ourselves because of that vulnerability. You have heard, for example, of the measures to ensure the enforcement of standards, the upgrading of consumer protection, the monitoring of food and drugs in keeping with international standards. You have heard that the operations of the Customs Division are being modernized and computerized, and the implications of that speak for themselves. In addition, there is a proposed establishment of the Revenue Protection Agency which is specifically geared towards ensuring that the Government is not defrauded, or deprived in any way of collecting revenues due on certain transactions. You would naturally expect that with the dismantling of the negative list, you are going to have an increase in trading transactions, and this revenue protection agency is absolutely necessary.

In other words, what we are having here is that very compendium of legislation that the Member for Caroni East was calling for; and he is right, it is coming. I know that the Member for Chaguanas is not here, but I noticed, and I feel I am accurate—a kind of ambivalence in the approach. I got the impression that she was calling for omnibus legislation—a single more comprehensive law. I do not know how that relates to the acceptance of the idea of the compendium of legislation. I take into consideration all the concerns expressed by the Members for Chaguanas, Caroni East and Tabaquite. We, indeed, have these plans to ensure that their concerns are very well taken care of and that, indeed, our system is thoroughly modernized to gain maximum benefits from this aspect of economic liberalization, as well as to prepare ourselves for the challenges and the dangers that it may pose.

On the question of the omnibus legislation—the single law—I do not think it is reasonable to suggest that you can come up with a single comprehensive piece of legislation for such a move that has such wide ranging implications. In any case, our view is that this approach is not really consistent with the internationally accepted principle of a separate law for anti-dumping and countervailing duties. In his contribution, the Minister of Trade, Industry and Tourism pointed to certain countries that had adopted our particular approach, very successfully. So, it seems that there ought to be very easy acceptance of this bill by hon. Members. I feel that we have no problem at all as far as that is concerned.

I want to use the opportunity to repeat a point that I made at another forum with respect to this whole business of the removal of the negative list and the measures that the Government is now seeking to put into place for the protection of both producers and consumers. I was giving an address at a particular place and

I observed then, and I want to underscore the point now, that while the Government is going to vigorously pursue the modernization of the system to ensure protection of the population and for entrepreneurs to capitalize on the potential, the Government cannot be expected to do everything. The citizenry as a whole must be part of this responsibility that now devolves upon our shoulders.

I want to pay particular attention to the importers. I think that they must be asked to co-operate fully in the implementation and management of the measures that we seek to put into place. All those involved in international purchasing, for example, ought to make sure that every purchase that they make has a positive effect on the strengthening of our economy and the well-being of all our citizens. It goes without saying that the Trinidad and Tobago market is still regarded as a very buoyant one—one of the best prospects indeed in the developing world. For fear of aggravating Members on the opposite side, I would not say where the foundations of that were laid. I think that they are very well aware of that. Indeed, our consumers are recognized worldwide for their very fine taste, as well as their penchant for consumerism and willingness to indulge their appetites. Therein, Madam Speaker, as often in life, lie both the danger and the possibility.

3.45 p.m.

It is very possible that with the situation we have upon us, our market can, indeed, become a thriving market-place, producing activity. In such a situation, there is always the possibility that you can have transactions and activity that do not necessarily conform to all the conditions of legality. Hence, the reason for this present legislation.

I want to make the point about the responsibility of the citizenry, the businessman and the consumer, because, in fact, the existence of law does not always guarantee that we will all be law-abiding. Indeed, if that were the case, I suspect many of us here would become redundant—which might not be such a bad thing in the eyes of the population—we could then be free of Machiavellian manipulation and cantankerousness.

The point I am making is that in our situation, even with the enactment of anti-dumping legislation, there ought to be a concerted effort by all to avoid the appearance of high-priced, sub-standard, imported merchandise. We must encourage our citizens to prioritize in terms of their needs. We must encourage our citizens—I agree with the Member for Caroni East who made the point about the need to educate. We must embark upon a whole education programme to avoid

conspicuous consumption, consumerism and the human tendency to indulge the appetite. We have to do those things and, very importantly—I think steps are being put in place as far as this is concerned; and I think this point was also brought up by the other side—we have to deal with what some analysts call a cultural flaw in Trinidad and Tobago—I am not saying whether it is accurate or not—that tendency to denigrate and discard that which is locally produced. In other words, we need to support our local manufacturers and producers, and I know of the buy Trinidad and Tobago campaign, which is already under way.

Mr. B. Panday: How do you achieve that? Is it by exhortation? I notice I got no response.

Hon. R. Maraj: Not only exhortation, but education, building awareness, the whole process of evolution which is slow. True growth is slow, but when it does happen, it endures. This is a part of the process that we are all involved in. We have to know—and I have seen signs of this happening in this House—that we are in this together, and that this process upon which we have embarked is inevitable.

I want to just make the point now that I hinted at earlier on about our own position as a party and Government as far as this whole process of trade liberalization is concerned. I want to make the point, that we of the People's National Movement, while we were in Opposition, made very good use of those wonderfully vital and important years. I was privileged to be part of that process of discussion, analysis and intellectual fermentation that went on for hours upon hours into the night at Chepstow House, Frederick Street, and other places.

Mr. Sudama: They became inebriated with the fermentation.

Hon. R. Maraj: We are a serious political party. We are mature, resilient and brave enough to have reconsidered and made a complete re-assessment of our policies, to have made the necessary changes to ensure that the People's National Movement is relevant, resilient and ready to lead Trinidad and Tobago into the 21st century. That is what we were about when we were in Opposition.

I want to make the point that it has not been a betrayal of policies, as some people would like to say. This whole process upon which we have embarked and internalized is an evolution of the very policies that we employed in the later 1960s and early 1970s. In the post-independence era, it became necessary for a newly independent country to gain command of its economic destiny as far as that is possible in a world that is interdependent. It became necessary for a party like ours to ensure that our fledgling manufacturing sector was given the opportunity to grow.

Mr. Palackdharrysingh: Did it grow?

Hon. R. Maraj: It did grow. That is what we did. So that, after having given our manufacturing sector the opportunity to mature, we are now setting them free, hoping that they are capable of competing in the world, because they ought to be ready to compete. We are not saying that there are not dangers that will be involved. We are not saying that all will succeed. The fact of the matter is, the time has come, because of the international trends and because of the whole evolution of our own policies, to ensure that we keep in consonance with the rest of the world. We see this as a path of growth upon which we have already embarked.

So I am saying there are risks involved. Some manufacturers may not be able to withstand the competition. Excessive consumerism could lead, possibly, to a drain in foreign exchange. We accept those possibilities. But the measures are being put in place, as I have said before, to minimize disadvantages, and anti-dumping legislation is just one component of that whole compendium of legislation that we are bringing.

Mr. Humphrey: Would the Minister give way to another question? I want to thank him for giving way.

Mr. Manning: It is the gentlemanly thing.

Mr. Humphrey: I agree with the Prime Minister, it is the gentlemanly thing. I will be a gentleman, too, and ask the gentleman: How different is this new approach of the PNM from that of the NAR?

Hon. R. Maraj: I am coming to that. The difference can be seen, in this very crucial question of divestment. That is where you are going to begin to see an important aspect of the difference. I will not answer his question directly, but I will deal with divestment as another aspect of trade liberalization.

Hon. R. Maraj: I am coming to the answer.

Mr. Sudama: We are asking you, how is your trade liberalization policy—

Hon. R. Maraj: I am coming to the answer.

Mr. Sudama: —any different from the NAR's?

Hon. R. Maraj: If the hon. Member for Oropouche, would just wait, he will get the answer.

There is a whole aspect of trade liberalization—and therein we are going to see the difference—that has to deal with what we in Trinidad and Tobago very affectionately and sometimes very possessively refer to as the national patrimony. The word is not quaint or irrelevant, as some people would like to say; it has meaning and it has significance. Let me just make the point that investment has always been the final goal of the People's National Movement.

If one looks at our utterances back in the 1960s, one would see it—Dr. Eric Williams said it. If one looks at the PNM's election manifesto of 1991, one would see our clear intention signalled to embark on a carefully studied plan of the divestment of state enterprises.

As far as we are concerned, it is not a question of wholesale privatization, as some would have us believe, as is happening in some countries in Latin America. It is a mixture of divestment and joint-venture arrangements, for example, through which, in the energy sector we are going to encourage investment to ensure markets, to ensure that our refineries are upgraded and that we can access the technology.

We are going to divest some of those state enterprises to allow the people's sector, the trade unions, the credit unions and the people, through the Unit Trust, and so on, to participate in the divestment process. There is room as well for the local private sector. We are also going to be using—and I hope that the question has been answered—some of the hard currency that we are going to earn as a result of the divestment of certain enterprises in the energy sector to alleviate the burden of foreign debt that is now strangulating countries all over the world. We are going to use some of that national patrimony, as they say, to alleviate that burden of debt so that we can attend to developmental needs in Trinidad and Tobago; to use some of the incoming resources to deal with some of the developmental needs, like housing, education and health.

The national patrimony, is still relevant. It is just that in our whole process of modernization, we, as a mature country, are now embarking on a new partnership with the world as we seek to use our resources as an investment in the future of Trinidad and Tobago.

Mr. Sudama: Will the Member give way to a question?

Hon. R. Maraj: Madam Speaker, when I am talking—look where I am, and look what he wants to bring me down to.

Mr. Sudama: When he talks about the burden of debt that is strangulating Trinidad and Tobago, I merely wish to ask him who imposed this great burden of debt on Trinidad and Tobago.

Hon. R. Maraj: A trivial mind, as I have said before in this Parliament, often produces a trivial question which, very often, does not even deserve an answer.

Madam Speaker, I am saying, the concept of national patrimony is still relevant to the People's National Movement. I want to just underscore the point that it is now being used in a new and mature partnership with the world as an investment in the future of Trinidad and Tobago. The children of this country will benefit in the final analysis. I am making the point that what we are doing at this point in time is the confident evolution of PNM policy. As I said before, we are a party who are mature and brave enough to make that comprehensive re-assessment and add another instalment to the journey which we began in 1956.

Mr. B. Panday: Ask the people of Laventille where that journey took them.

Hon. R. Maraj: I do not want to get involved in that.

Madam Speaker, I feel I can rest my case. Before doing that, let me just make reference to a visit that I had recently from the Argentinian Foreign Minister, who visited the country last week. We had very extensive discussions; it was a very fruitful visit.

Mr. Sudama: Did he advise you to devalue?

Hon. R. Maraj: In fact, it seems that the hon. Member for Oropouche is not aware of what has happened to the Argentinian economy. If he would just wait, I would educate him.

Today, Argentina is being considered as a buoyant economy, one of the *nouveau riche* of South America. The interesting thing is, it has undergone policies upon which we are now embarking and had adopted policies in the same period which were similar to ours in the 1960s and 1970s. In other words, they were inward-looking, they were protectionists. They have now embarked upon this course.

My discussions with the Foreign Minister revealed that they found it absolutely necessary, after the threat of economic and societal ruin—we know what was going on in Argentina: Inflation averaging about 200 per cent per month, and so on—to abandon those protectionist introverted policies of the past. Today, in

addition to a massive divestment plan, there has also been a virtual demolition of the trade barriers. This has forced Argentinian manufacturers to invest and to succeed, to develop the muscle and the strength and resilience to succeed to the extent that the trade surplus for 1990 showed an increase of 66 per cent over 1989. That is what is happening in the manufacturing sector in Argentina.

Now, I am not so naive as to say that because Argentina is succeeding we will succeed. I am saying that it is an inspiration, an example. And, more than that, Argentina represents an opportunity. How are we going to access that opportunity? How are we going to capitalize on that opportunity if we do not prepare ourselves, modernize our own policy and economy to take advantage of the possibility of productive trade relations with a place like Argentina? It is not only Argentina. I am sure Members know about Mercosur (Argentina, Paraguay, Uruguay and Chile). Let me get some facts. They are coming to the market on December 31—a market of over 185 million consumers in Mercosur, with a combined GDP of over US \$4400 billion.

Now, it is very possible for us to access that market but we cannot do it, if we do not modernize our economy; if we are not able to reciprocate in terms of the conditions that we have in Trinidad and Tobago. It is not only Mercosur; there are other trading blocs in the hemisphere. We know about NAFTA, and so on.

Madam Speaker: The speaking time of the hon. Member has expired.

Motion made, That the speaking time of the hon. Member be extended by 30 minutes. [*Mr. K. Valley*]

Question put and agreed to.

Hon. R. Maraj: Thank you, Madam Speaker, and let me also thank my colleagues in this honourable House for their indulgence and for the extension of the time.

I just want to make the point that with the emergence of these megablocs—I want to call them these economic oceanliners that are lining up all over the world—in order for us to be able to access and take advantage of the opportunity, we must prepare ourselves, and this Bill is part of that. The world is moving, as I said, inexorably towards globalization, and this anti-dumping legislation is part of this whole process.

I do not wish to say much more, Madam Speaker, except that in light of what is happening in the world, we in Trinidad and Tobago have an excellent

opportunity to avoid the dangers of stagnation and to keep our country in step with the rest of the world.

When we went to Washington and New York recently we made it very clear that in addition to the resources that we have—the Prime Minister said it over and over—we were willing to pay our debt, we were willing to handle ourselves in the world. We pointed to the educated population that we have, the stability of our democracy, the skilled population and the alert, vibrant and buoyant people. We pointed to these as assets—the spirit of Trinidad and Tobago, which is willing, capable and ready to join the rest of humanity in a togetherness and closer relations which are already happening throughout the world.

I want to, once more, locate this Anti-dumping and Countervailing Duties Bill within that context, Madam Speaker, and I ask this honourable House to support it.

Thank you very much.

Mr. Trevor Sudama (*Oropouche*): Madam Speaker, I listened to the contribution of the Member for San Fernando West not in amazement, really—because that is what he is famous for, play-acting—using this House here—

Mr. Maraj: Another mundane reference to my former career.

Mr. Sudama:—but to his not understanding the content of the script, and merely delivering it in a manner to try and influence this honourable Chamber.

Mr. Maraj: These are merely my speech notes which I wrote at 3.30 a.m. today.

Mr. B. Panday: He must have been sleepy when he wrote those notes.

Mr. Sudama: Madam Speaker, I want to disabuse him of a notion that this trade liberalization programme that the government has embarked upon has general agreement and consensus on this side of the House. And I want to make our position very clear.

It is not that we do not want to have a more efficient manufacturing and agricultural sector in Trinidad and Tobago, it is not that we would not like to see this economy develop, grow and improve, but, at the same time, we want this Government to come down to reality and understand the particular situation and circumstance in which this country finds itself today.

All this talk about the globalization process, modernization of the economy, we are breaking down the barriers, and so on, is so much ideological froth which, when you look at the present situation in Trinidad and Tobago, is not at all that related to the reality of our own economy. That is what I want to start off with and I want to make that point very clear. It is not that we do not want to open this economy, but we want to do it in a way that we can manage the dislocations that are involved. Secondly, development is about maximizing the potential of all the resources that you have; that is the nature of the world development, including your human resources. The question whether an unrestricted trade liberalization programme is going to achieve that objective is what the Government has to address.

He talks about breaking down the barriers. Madam Speaker, he is making some forays into the constituency of Oropouche—and I am glad that he is breaking down those barriers—but I hope that he can advise his Government to break down the barriers of inequity and discrimination which have been the foundation of PNM culture and policy in Trinidad and Tobago. You are talking about breaking down barriers; start with breaking down internal barriers and then you can talk about breaking down external barriers. I want to just let him know that. I do not want to go into that. We have another debate on discrimination coming up. I want to just give him a little suggestion and I will deal with him comprehensively in that debate.

Madam Speaker, we have a world of borderlessness. We are breaking down the barriers, and this Bill before us is an important part of the trade liberalization plan on which the Government has embarked. Let me put this issue in context: Where is this economy today? I want to give you a few examples of where we are today. In the first three months of this year, the unemployed, which numbered over 100,000 at the end of last year, increased by over 12,000 in the first three months under a caring PNM Government. The blandishment of a caring party which has turned out to be a falsehood—and we will ask them that in Laventille—this is the reality of our economy today.

What is going to happen in the future? We have, coming out of our secondary schools, something like 20,000 to 25,000 secondary school students who are going onto that job market which is already discharging employees. Then, we are going to have, on top of all that, retrenchment in the Water and Sewerage Authority and other public utilities. We are going to have retrenchment—whatever it is called—in the state enterprises. We are going to have rationalization in the oil industries, in

Caroni; total retrenchment, further adding to the number of unemployed in this country. The manufacturing sector, 8,000 jobs—

4.15 p.m.

Dr. Rowley: I am very grateful to the Member for giving way. I just want to make it abundantly clear, Madam Speaker, so that this Member does not confuse the issue. There is no programme of retrenchment planned for Caroni Limited. I want to make that very clear. He is seeking to misrepresent the situation.

Mr. Sudama: When you lower the retirement age, Madam Speaker, you are making the labour force smaller and smaller. What you are doing therefore is adding to the number of unemployed. I thought that was a simple deduction you made from the policy you have embarked upon. This is the reality.

Dr. Rowley: There is no process of retrenchment in the plan.

Mr. Sudama: When you look down the road, there is more and more unemployment in the country. The manufacturers in this country are up in arms against this trade liberalization plan; and what is going to be the outcome of that? What is happening in the oil industry? A report—"Oil Industry Ailing, Says Rooks" and this in April of 1992. So when you look down into the evolutionary process, all you can see coming out of the policies of the Government is further hardship, unemployment, starvation, and destitution in this country. It is in that scenario, that they are introducing this trade liberalization plan with the attendant Anti-dumping Bill which goes with it.

Madam Speaker, I hold no brief for the manufacturing sector in this country. We should like to see that sector contribute productively to the economy of this country and to create jobs. At the same time we must concern ourselves with what they have to say. Actually if jobs are going to be lost as a result of Government policy, we have to concern ourselves.

As far back as 1989, the President of the Trinidad and Tobago Manufacturers' Association had this to say—

"It is our belief that manufacturing in Trinidad and Tobago cannot remain regionally competitive if it is required to pay duties on its raw material input, nor can it survive the uncontrolled onslaught of cheap, unrestricted imports. The theory being put forward by the World Bank that opening the Trinidad and Tobago market to cheap imports is going to create a nation of exporters is

[MR. T. SUDAMA]

ridiculous. In fact an uncontrolled opening of this market will cause us to revert to merely being traders of goods manufactured by others."

The question I want to ask the Government is this. Does it have a vision for Trinidad and Tobago and does the manufacturing sector play a part in that vision? Because, Madam Speaker, we have had the experience of Jamaica just next door. They have gone full speed with trade liberalization. Today the Jamaican economy is virtually without a manufacturing sector. They have become a nation of importers. As they say in Jamaica, "a nation of higgers". I want to know if this is the plan that this PNM Government has for Trinidad and Tobago—

Mr. Manning: I thank the hon. Member for giving way, Madam Speaker. I wonder if he would be prepared to identify whatever differences he may see between the economy of Jamaica and the economy of Trinidad and Tobago. It is most important.

Mr. Sudama: Madam Speaker, that is an issue which it will take me another hour and a half to talk about. But I will give him an idea of what the Jamaican economy has become—totally debt fed. The Jamaican economy cannot generate surpluses, or foreign exchange—it is totally dependent on loans and aid from foreign sources, in order to carry on that minimal level of existence to which the majority of people in Jamaica are subjected.

Now let us look at this propaganda. I am not saying, and I make that point abundantly clear, that we ought not to embark upon policies which improve our economy, make it more efficient and productive. But at the same time let us not go into the realm of ideology and propaganda. Let us bring that principle that we are trying to advocate and compare it to the reality of our own existence. This is a small economy and we cannot produce according to economies of scale, simply because of the size of our economy; in the absence of massive foreign investment; we just cannot do it. Therefore if you are producing on a certain scale and you cannot achieve economies of scale, you cannot compete effectively with countries which, in fact, do produce on a massive scale. This is the reality here.

Secondly, this whole trade liberalization policy is part of the structural adjustment policy of the Government, which it condemned when it was in opposition. This Prime Minister, stood up on this side of the House and said that the last regime, the NAR, had sold out the patrimony of this country for \$40 million World Bank Structural Adjustment Loan. Today, what does he do? He goes cap in hand to Washington, not only to accept that measly US \$40 million (US), but also to ask for more, like Copperfield. Is it Copperfield?

Mr. Panday: The lady says Oliver Twist—

Mr. Sudama: Oliver Twist, asks for more. Madam Speaker, has this policy succeeded in the grand way that they are claiming? We have had certain studies done, even by the IMF. Let me quote:

“IMF economist Mohsin Khan concluded that 'one would be hard-pressed to extract from existing studies strong inference about the effects of Fund-supported adjustment programmes on principal macroeconomic targets.’ ”

which, of course, means growth. Let me repeat—

"...would be hard-pressed to extract from existing studies strong inference about the effects of..."

whether it is Fund-supported or Bank-supported it makes no difference—

"Fund-supported adjustment programmes on principal macroeconomic targets."

No strong evidence. Talking about Argentina achieving growth and the other countries achieving growth is sheer propaganda in the present situation. And what does he do?

4.25 p.m.

I have heard much talk about export-led growth—that we have been inward-looking and this has been the cause of our failure over the years. Apart from the strategy of import substitution, which was initiated in the 1950s, this Government has had no industrial policy whatsoever. None. Therefore if you are going to have a plan of trade liberalization, do you have an industrial policy to fit into it? What industries are you going to promote? What industries do you feel have served their usefulness and will go under? What industries utilize a maximum degree of indigenous resources? Let us assume that you go on a full-scale trade liberalization plan and most of your manufacturing goes through, your agricultural sector is in shambles, and you have massive unemployment in this country, what alternative uses do you have for these resources which we have?

Let us take agriculture. I have a few words to say on agriculture. I do not normally agree with the Member for Diego Martin West, but today I have to agree with him. He says very boldly, and I agree with his candour:

"Rowley: TT never had an agricultural policy."

Whether PNM or NAR, they never had an agricultural policy. I agree with him. It is a fact, because they never had a vision for this economy as to where the agricultural sector would be in this economy. They talk about breaking down barriers, removing tariffs, removing subsidies, this is all part of the programme. When he was asked a specific question—this is the *Sunday Guardian*, June 21, 1992—very recent; I do not know if he has changed his mind since then. He is asked specifically:

"With trade reform or trade liberalization in the air there have been calls for protection for the agricultural sector. What is your Ministry doing about these.

ROWLEY: Joining the calls."

He is joining the calls. That is his form of protection to the agricultural sector. Apparently, he does not seem to have any weight in the Cabinet. So the call is being made from the outside, he joins the outside calls to bring pressure to bear on his own Cabinet and his own Government.

Dr. Rowley: That is your interpretation.

Mr. Sudama: That is what I am reading here. The question then came:

"You cannot do anything else to protect that sector?"

The answer was:

"I am saying we are joining the calls. What we are doing in the Ministry is, within the constraints that the country finds itself in the international world of modern trade, we are having to defend our agricultural sector as vigorously as developed countries."

But you have trade liberalization:

"All over the world..."

We all notice this is common knowledge:

"...agriculture has to be defended."

Trade liberalization, yes, but agriculture has to be defended. Is this consistent with their vision? This great new world of globalization my friend the Member for San Fernando West speaks about—or what he is reading from his script, actually—of which he knows very little. If the Minister of Agriculture is correct, then the agricultural sector has to be protected. How, he does not say. The article goes on:

"Do not fool yourself. There is no free trade in agriculture anywhere in the world."

He is absolutely correct. But this Government is promoting trade liberalization, including agriculture:

"Not in Japan, not in the United States, not in Europe or Australia, not in Trinidad and Tobago.

The way world trade is going, small countries like ourselves are being pushed to recognize lopsided trade patterns. But Government is committed to providing some measure of guarantees for the local sector."

He does not say what those measures of guarantees are and whether they will be consistent or inconsistent with his Government's plans for trade liberalization.

Dr. Rowley: Would the Member say if there are any items on the negative list still in Trinidad and Tobago? Is the Member also aware that even within the context of trade reform, the agricultural sector is not treated like other sectors in the economy?

4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. T. Sudama (*Oropouche*): Mr. Deputy Speaker, let me start off this post-tea session with outlining, to Members of this House, the assumptions on which trade liberalization have been based. We may go back to Adam Smith. You see, it is the whole theory of comparative advantage. If you have resources which you can use to advantage which other people do not have, then you can utilize those resources in a way where you sell to others; then, of course, you import your needs. The theory of comparative advantage.

In the old days you might have had some advantage with basic primary goods and so on, but in the age of science and technology you may not have such an advantage. So that the theory of comparative advantage goes by the board. Today it is a day of high investment, super technology and it is in that world that we are liberalizing trade as a small country, without the necessary preparation for engaging in that world. We do not have it.

Trade liberalization, which means freedom of movement of goods—and possibly of services—was premised on the belief that you will also have freedom of movement of capital and labour. Then you are going to have the full benefits of liberalization. But what do you have in the world today? Free movement of goods, but goods from where to where? By and large, from the developed countries to the developing countries. Accompanying that, do we have the free movement of capital from developed to developing countries? Do we have the free movement of labour to areas where labour is cheap or where labour can migrate to areas and take advantage of the labour situation in those countries. We do not have it.

Therefore, you are in a league in which you are trying to accept rules which really, in the long run, may not work to your advantage. The duty of a government is to so devise policy as to safeguard the interests of the citizens in the short, medium and long-term. Even if we agree that there may be some advantages of trade liberalization in the long term, I can only say, as John Maynard Keynes said, “all of us may be dead in the long term”. How do we manage the short and medium term to reach whatever goal we want to reach in the long term?

If this thing is not managed and we go to full-scale liberalization; full-scale imports, what is the likely result? We may have before the end of the year, an unemployment rate of 30, 35 or 40 per cent.

Mr. Manning: Madam Speaker, I thank the hon. Member for giving way. Is the hon. Member aware that arising out of the Thirteenth Heads of Government Conference, just concluded here in Port of Spain, a decision was taken to set up a technical team comprising experts from all the territories and the institutions of the Caribbean Community, to examine three issues:

- (i) the Common External Tariffs;
- (ii) this whole question of a one-economy, one-market concept; and
- (iii) the relationship of Caricom with external trading areas and particularly to identify a strategy in that context.

The idea is that all the facts that are germane to a consideration of this issue be made available to Heads of Government, in circumstances where it is clearly understood, that the position of individual territories will vary from country to country and that no two countries are at exactly the same stage of development. This report is due by September 25, and will be considered by the Heads of Government meeting in Port of Spain on October 28, 29 and 30.

Mr. Sudama: Mr. Deputy Speaker, in the meantime they are proceeding with dismantling the negative list; putting some temporary import tariff restrictions and so on. They are telling us they are going into studies but at the same time, at the behest of the World Bank, they are implementing policies of trade liberalization and structural adjustment. As I said, they do not understand what it is they are doing.

Sir, I was on this question of looking at the assumptions on which the theory of trade liberalization policies are based. The theory which should have three or four legs, is implemented only on one leg, that is, the free movement of goods, not capital and labour. In that scenario, you will find that in the short term, a tremendous dislocation that will be caused will not and cannot be dealt with because we shall be overwhelmed by that dislocation, which will be caused as a result of the policies which are currently being introduced.

This anti-dumping legislation, let me say offhand, will have very little effect. They may put it on the statute books. Anti-dumping legislation does not protect you from economies of scale. Anti-dumping legislation does not protect you from uncustomed goods coming into the country, and there is much of that in Trinidad and Tobago. Anti-dumping legislation, wherever it has effect, is where the goods pass through the normal channels. Where they do not, how is anti-dumping legislation going to protect the people of this country?

Also, the point has been made, that in order to find out whether people are dumping, you must have machinery in place in different countries of the world to find out what is normal cost. We all know it is a standard practice of having discretionary pricing, pricing which is different in the producing market as against the exporting market.

Now, let us assume, for example, that in both cases the pricing is above cost, but in the case of the exported goods, that price is below the price for which it is sold on the domestic market. Today, you can buy a watch, produced in Japan, cheaper in New York than if you bought it in Tokyo. This is part of the reality that we face. How is anti-dumping legislation going to protect us? In a manner of speaking, this question of bringing protection via anti-dumping legislation is irrelevant. The question of finding out what is the normal cost of an item will require a degree of economic intelligence. We do not even have a trade officer in the various nations overseas and you want to have economic intelligence to find out whether they are under-pricing or giving subsidies to their manufacturers.

5.15 p.m.

So. let us deal with the ineffectiveness of this legislation in practice and also with the substantive issue, as to what are the assumptions underlining the theory of liberalization. Ideology has gone to their heads. They go to Washington; enter a class; they are schooled and they come here like parrots and propound this idea very enthusiastically. Very good students. And now, they are saying, "you know, this is the way the world is going. We are not taking instructions from the World Bank." And all this without looking at the reality of this country called Trinidad and Tobago.

Do you know what were some of the other assumptions? If there is trade liberalization and only those efficient manufacturers, agriculturists and others survive, then the resources so released, whether it is manpower, capital or land, could find some other use. In other words, together with the contraction of some resources—the dislocation—what you will have as well is investment in other sectors of the economy to pick up the slack.

I want to ask them. You are going full speed with trade liberalization; in which areas of this economy is there investment? What new investment has come into Trinidad and Tobago? There is talk about investment in the energy sector. In that area we may or may not get investment. We do not know. Apart from that, if you get investment in the energy sector, how is that going to deal with the displacement of labour that is going to be the consequence of this policy? There is virtually no investment anywhere in the economy.

The Prime Minister attended an opening ceremony on High Street for some commercial building which is going to be erected there. He made all kinds of statements; one was that the people have confidence in the country. One of his party supporters is opening that building. How many jobs will be created? What are they doing about investment in the agricultural sector, so that you can handle the dislocation which will be caused as a result of the trade liberalization policy? That is the theory, that resources will go to the places where they will be more efficiently employed.

When I say it is ideology, they do not understand what they talk about. They believe that once you wave the wand of trade liberalization, opening up the economy; you allow the market to determine, that is all which is required to induce competitiveness in the society, and suddenly we shall become internationally export competitive, without understanding that to be internationally export competitive is a process you have to go through.

They talk about the Korean model, the Pacific and the Asian countries. They do not understand what they are talking about. The point was made that if you want to be competitive—look at the Korean model—you must have a definite industrial policy. You have to influence and direct investment into certain areas; have a definite research and development policy, where you can deal with technology transfer, adaptation and diffusion, in a way which increases your productivity. You apply capital and at the same time, you have a skilled manpower resource together with that capital, as a result of which you are able to put resources together in a way that you can be internationally competitive. It does not happen overnight. You do not wave this wand of ideology and it happens. This is the assumption which we have been getting from all the speakers on the other side.

To highlight that point, what have we been doing to improve our technological capability in manufacturing and agriculture in this country? How has the technology of Point Lisas been diffused in the society to make us more export competitive? Will he answer that question? That is specific technology you are dealing with. They do not seem to understand. Just to recount what has been said about the Korean model, and to show you that you need to put these things in place in order to be export competitive—and the World Bank has made a statement explaining what was well known to development experts and others, but apparently, not the PNM government—that Korea built its impressive export performance on previous import substitution and industrialization policies, that Korea's drive into new industries is strongly government directed.

The question is not that government should not be involved, but in what way government should be involved, the new role of the government, not necessarily as owners, How they should create the infrastructure. The point I am making is: What have they done to be facilitators? What have they facilitated except creating some more LIDP jobs. That is the only facilitating they have done for the past 30 years and that is not going to have any long-term impact. That is debilitating.

You must have a proper policy, a proper marketing outward export policy; a proper technology policy, a proper investment policy, an industrial policy and also an agricultural policy to support this programme of trade liberalization, which you say will bring so much benefit. Korea was able to do that only after it had built its foundation and infrastructure and put its policies in place, in order to reach out to the outside world. What have you done over the last 30 years and now in the last year, to prepare this country to face the challenges of the outside world?

The other point I wish to make is that we have heard from the other side that we have been too inward looking and inward directed, that we have not been export oriented and outward directed. They seem to imply that there is a certain dichotomy in terms of development. You are either inward directed or outward directed. That shows you the flawed vision with which they approach things. You have to be both inward and outward directed. No country has developed without being both inward and outward directed to see how it deals with the outside world, but dealing with the outside world in a way which would facilitate the most efficient and productive utilization of all the resources it has.

You must have an inward and outward vision, and a balanced vision, if we are going to deal with this problem, because it is important for us to realize one critical economic fact. That is, if there are productive resources which cannot be put to an alternative use in the current framework, then you need to have a policy for productive use, because the alternative is for those resources to go idle and then to reduce your base of production. If you are going to have this grand trade liberalization policy and as a result of it you do not have the proper policy, much of our manufacturing and agricultural capacity—for example, if you do not use land for agricultural purposes, apart from industrial and residential purposes, what else are you going to do with land? What other productive use can you put to your land if you can import the things which you grow cheaper? In the meantime, you are going to extend the numbers of the unemployed. You, therefore, have to have a policy that addresses that question.

5.25 p.m.

We do not live in a world by ourselves. We understand that. The critical issue is how we relate to that world outside—whether we just accept what is given to us from outside and whether we do not have any independence of action, limited though it may be. If that is the case, we do not need a government. What we need is a set of clerks and bureaucrats taking orders from elsewhere, determining what the trends are and implementing them here. The assumption when there is a government in power is that it tries to employ a measure of control over the Country's destiny—not complete control; no country in the world can employ that—and seek to maximize benefits for its citizens. Whether propagating ideology or not, that is the harsh reality that we face in Trinidad and Tobago.

We were talking about the Jamaica situation. Let me tell you very briefly what has happened to the Jamaican manufacturing sector over the period 1980—1990. As a result of trade liberalization policies which they have gone to the fullest in

implementing, there has been an enormous strain on the balance of payments there. We had it here last year when, in the first six months of 1991, there was such an enormous outflow of foreign exchange to import goods that the import bill went up by 27 per cent. Trade liberalization also assumes greater consumption orientation on the part of the domestic population, and in order to do that, you have to set aside more and more of your foreign exchange to import the goods. That is how at the end of last year we ran into a negative foreign exchange reserve position.

In the long run the problem could either be exacerbated or solved, depending on what happened in the short and medium term. This is another issue they have to confront. Depending on what happens in the short and medium term, you may never recover from a long-term debacle with respect to our economy. This is precisely what has happened to Jamaica.

You have to determine whether you want to have an agricultural sector in this country and, if you want to have a vibrant one, you have, to look into the question both of employment and food security, what policies you have to put in place. The hon. Member was asking about the negative list. I see several notices to importers that many items have been removed from the negative list, the last of which was rice in all forms, however packaged. I think that the deadline was June 30. This was import notice No. 6/92. Then there was import notice No. 5/92. I cannot read all these things. There were a host of things, both agricultural and manufactured goods, completely removed from the negative list.

Mr. Deputy Speaker: The hon. Member's speaking time has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. R. Palackdharrysingh*]

Mr. Sudama: Thank you, Madam Speaker. Another issue I want to raise is: To what extent this system of liberalization, which is being promoted, will be abused and manipulated? Even if you have some things on the negative list—that is another area about which this Government has not been forthright with this population. What has been put back onto the negative list, and to benefit whom? We should like to know if it is for the general benefit of the economy, or the favoured few—patronage to those who may have rendered service to the PNM party. No clear indication has been given. One day you hear that something has been taken off the negative list, and another day you hear something has been put back. We should like to have full and complete publicizing of the position today of all the items and the tariffs, and so on, with which they have been associated.

In the course of this Government's coming to office, we have an Order here, the Fiscal Incentives Caribbean Methanol Company Limited Order, 1992. I want to know how this order fits into the plan for liberalization, because it offers concessions and protection. Is it because it is Caribbean Methanol Company Limited that they get special treatment? Hear what this order relieves this company of:

"The Company, classified as a highly capital intensive enterprise in the natural gas processing industry, in respect of the approved product is granted, for the period of five years commencing from the production date, the following:

Total relief from corporation tax in relation to the approved product.

Total relief from Customs duties in relation to the approved product".

Now, if you are liberalizing trade, one of the long-term goals is that you do not favour anybody in terms of the customs duties that you charge. It does not mesh with trade liberalization. But here you are giving:

"Total relief and loss offset in accordance with section 24 of the Fiscal Incentives Act".

If you are giving these reliefs, and this is interpreted as a subsidy by the foreign importing country, what is your position? Would this bring you countervailing duties by the foreign importing country? It is not clear to me what is the picture, when you are dealing with one industry in a different way from your general programme of trade liberalization. We would like to know further, which products and industries you are protecting through the system of negative listing and why. Is it passed as an industrial policy, or is it to repay favours for services rendered? Come clean with the population.

5.35 p.m.

The other point I was making is that we look down the road, maybe six months down, maybe next year: Does this Government have a vision for balance of payments? Do we feel that balance of payments position can be handled by an influx of import and a drain on our foreign exchange reserves. If so, what plans does the Government intend to put in place to deal with such an eventuality as, in fact, happened last year? It is saying that it is going to pay all our indebtedness; it is going to borrow, but it is not going to risk rescheduling. What is happening with the Government's pattern of borrowing now is that it is heavily oriented towards the multilateral institutions where you cannot reschedule. Rescheduling is not an

option for your borrowing from the World Bank, the IMF the IADB, and so on. It is only with the commercial creditors that are an option. The more your borrowing is oriented towards the multilateral institutions, the more you have to take the orders from them.

The multilateral institutions do not care whether your citizens starve, whether they wallow in poverty and hunger. They do not care, as long as their loans are repaid on schedule. So long as you take measures to pay them back, whether it is by increasing taxation on the citizens, whether it is by hiking up the utility rates, whatever measure you may take, they want their loans repaid. That is what is going to happen with the kinds of policies that we are pursuing.

It is a well-established fact that when one goes into this package of trade liberalization which is merely part of the package of structural adjustment, one would see that it has dealt severely with the lower income groups in every society which has had to bear the brunt of these policies. Even where there is growth and the growth is of a capital intensive nature in capital intensive industry it is not going to help the people of Laventille or Caroni. That has been a factor, that income distribution under trade liberalization, has gone into great disparity. The evidence is clear: In country after country in the developing world, this has been the experience.

What are you going to do in Trinidad and Tobago? Are you going to increase LIDP jobs? If so, where are you going to get the money to do that? Also, to what extent will that improve the economic infrastructure and make us more productive?

When we come to answer these questions, the pressure on our balance of payments, the increasing pauperization that we will face among the lower income groups in the society, the increasing unemployment, the lower incomes—because, as you are well aware, the more there is competition for jobs, the higher the unemployed, the lower the wage level—there would have to be reduced incomes. The Government has not told us how it is going to deal with this problem.

Another issue I want to raise—because it touches on another critical policy of the Government for the future—is if it is going to have trade liberalization, it is going to free imports, it is going to remove the barriers, eventually—this is the direction in which it is going what are they going to do with its foreign exchange regime? Is it also going to liberalize foreign exchange dealing and trading? If it does liberalize that and there is an excessive outflow as against the inflows, what

would that say about foreign exchange parity? The experience of Jamaica is right there: Jamaica started off 10 years ago with a parity of \$4 Jamaican to US \$1 and today, it is about \$25 Jamaican to US \$1. There will be massive speculation as a result of this, speculation which will also result in the further outflow of currency and bring further pressure on the balance of payments position. That is the experience. It has been the experience in several countries. I do not know whether Argentina is an exception in this regard.

Therefore, the question you have to answer—and it might come up in the budget: Is it or is it not going to devalue the currency consistent with the policy of trade liberalization? Is the Government going to allow it to be devalued as a consequence of this policy that you have been implementing? I know it will say, "Well, one does not say beforehand," but this country must know and must be prepared for what is coming to hit it. If the Government is going to free up foreign exchange as well it is going to have an imbalance between outflow and inflow and the natural consequence of that, whether it has been instructed by the World Bank and the IMF to do so or not, is to have a devaluation. They will tell you that the currency is overvalued.

Do they envisage the scenario down the road when they are entering a programme where they have to import more, they are facilitating greater imports, and at the same time devaluing the currency and, therefore, those imports will become more expensive? What would happen to the quality of life, the real standard of living of a large section of the vulnerable groups in the society? What is going to happen?

They say that if you have a devaluation, the theory is that it would have the possibility of increasing exports. If there is a productive and competitive base, certainly a devaluation will boost the level of your exports. But if you do not have such a base and are only relying on the proceeds of the energy sector and the manufacturing base is in jeopardy, and the agricultural sector is threatened, where on earth are you going to get the benefits of a devaluation? We have heard much about export-led growth. What is the evidence in the period of trade liberalization that exports have increased as a result of the policies put into place by the Government? There is no such evidence. All we have heard is propaganda from the other side. Trade liberalization is the way the world is going, they say, that is the way we in Trinidad must go, without telling us, given the basis of our own experience, what the position in Trinidad and Tobago has been.

I was on this question of the world in which we live, and I indicated it is not a fair world at all. The Government wants to deal with export-led growth and it is not prepared to deal with all the barriers to exports which exist in the major markets of the world.

The NAR regime, in the first year, we were trying, incidentally, to export a shipment of condensed milk to the United States. Try as we did, by being price competitive, and so on, we could not get through that customs bureaucracy. One regulation after the other that countermanded your approach and that shipment, eventually, found itself back in Trinidad. A shipment of condensed milk, even if it could be produced at a competitive price, cannot get through. They do not have a policy to deal with this question of an international marketing strategy for products which may be competitive on the local and international markets.

On the question of subsidies in agriculture, this is what the proponents of trade liberalization preach; this is where they get their ideology from. This is what they do in the United States of America. Let me read this out so you will have an idea of the world we are dealing with and not come here with any airy-fairy stories or propaganda on liberalization. The Ontario Milk Marketing Board has produced a bulletin which reads, in part:

"To describe the United States dairy market as 'free' is absurd."

This is merely one area of agricultural production and there are hundreds. But they want to liberalize here, you know. You must not have any kind of restriction here in your market.

— "The US has closed borders and prohibitions on the importation of virtually every dairy product."

it is not only confined to dairy products —

— "The US has closed borders on sugar, peanuts, cotton and many other products.

— US border protection is achieved through an exemption from the International Trading Rules—known as the General Agreement on Tariffs and Trade—meaning they are not required to adhere to GATT rules and regulations. The US is the only country to have this status."

The ideology is where you are getting the propaganda from:

"The ideology is good for everybody else but not for me."

In effect, they have *carte blanche* on agricultural trade practices, and other countries have virtually no recourse.

— "The US operates an open-ended 'support price system'..."

If trade liberalization is good for the US economy, then why do you have a price support system. Let market forces determine what will be produced where and at what prices.

The US operates an open-ended support price system for dairy, meaning the Government guarantees the purchase of all surplus production, stores it and disposes of it at substantially lower prices than it paid for it. What do you call that?

— "Each year, surpluses in the US have averaged about 10 per cent of the total US dairy production since the early 1980s.

— A study done conservatively estimated that US dairy farmers received at least 30 to 35 per cent of their income in the form of this subsidy. This includes the value of surplus removal and disposal, as well as grain deficiency payments, but does not include many other federal and state programmes.

It goes on and on.

It says that the 1993 estimated US Department of Agriculture budget is \$62 million. Most of that goes into a price support subsidy disposal, the majority of which, in one form or another, is subsidy payment to American farmers. So if that is happening—

Mr. Deputy Speaker: Will the hon. Member state the date of the document he just read from, please, for the record?

Mr. Sudama: The document is from the Ontario Milk Marketing Board. I do not see a date here, but it is a report and I believe it is current information on the situation that exists. It speaks about 1983 and the position on the estimated *[Interruption]* are you denying that there are subsidies?

Mr. Valley: I do not deny it.

Mr. Sudama: If that is the case, I want to find out in the context of your trade liberalization how you are going to deal with the agricultural sector of our country. It is a simple question. Do you have a policy or do you not?

We have seen in a country which has, what the Member for San Fernando West called, a relatively efficient manufacturing sector, such as Canada, trade liberalization has done to the Canadian economy, devastation in the short term. Benefits were promised in the long-term we do not know. It has devastated the Canadian economy to the extent that unemployment in Canada has risen substantially.

On the basis of that, we are saying here that if you are not careful, if you do not put the proper policies in place, if you do not understand the dislocation that is going to be caused in the short term with respect to the many sectors of this economy which are likely to be affected by this programme, we are likely to suffer the same fate, for if a country like Canada, with an established manufacturing base, with high levels of skill, with investment opportunities being taken up, with a high technological base has gone that route with trade liberalization, what would happen to a small, unprepared, undeveloped manufacturing sector and economy, such as Trinidad and Tobago's?

In addressing this question, if you are going that route, what we needed to have is a comprehensive policy to deal with the dislocation and so on. We are being told that there is a study to be done by the Common Market countries. Caricom has done numerous studies, and we know where Caricom is today. It has done studies upon studies. It is "Cari-gone", not Caricom any more. What has been the effect of all these studies? Today there is a problem. Jamaica wants the Common External Tariff to be reduced to 20 per cent. I do not know what Trinidad and Tobago's position is with respect to that tariff; that will probably be another subject for study and we shall get a report on it.

Many countries are objecting to the proposal to have that reduction because they are fearful of the impact on their own economy. Caricom, we have been told, is going to undertake a study; on a simple issue such as the Common External Tariff, you cannot have agreement on. One country wants it lower; the other country wants it higher. We are trying to hoodwink the population of Trinidad and Tobago that we are having a Caribbean consensus on this issue of trade liberalization and its impact.

We know, and it is an open secret where the Jamaican regime gets its impulse from. And whether as a result of that impulse, it will be proposing policies for the Caribbean which will make it more and more an appendage, but an appendage without the benefit of a larger economy. There will be all the disadvantages of

colonialism without any of the advantages because you cannot have free movement of labour into that economy.

When we look at the programme and the policy in a holistic manner, when we take all of the factors into consideration, it cannot be beneficial, in an unqualified sense, to the people of Trinidad and Tobago. If such a policy is to be implemented at all, it cannot be implemented in the manner in which the government is going about it and, secondly, we have to look at the initial impact, particularly with respect to employment in Trinidad and Tobago. They cannot deal with this problem of unemployment on a temporary basis forever. If there is a protest, they rush off and offer more LID projects. Then they say that the LID projects were really intended for the depressed areas of certain parts of Trinidad and Tobago—not that there is depression all over Trinidad and there is an unemployment problem all over Trinidad, but the LID programme is specifically geared to dampen protest in particular sectors of the economy.

I wonder what they would do if all areas of Trinidad and Tobago started to protest. That is not a long-term solution to the problem of unemployment, which is basic to the economy of Trinidad and Tobago. If there is growth and they cannot deal with the unemployment problem, they are going to have a social upheaval on their hands. One could have all the trade liberalization in the world, whatever is produced could be produced very efficiently, but one produces it very efficiently by restricting production to a small sector of the labour force, the rest remains unaccounted for, and they are going to face the consequences of that kind of policy. All I see this Government proposing are very myopic, short-term—

Mr. Deputy Speaker: I just wish to remind the hon. Member that he has two more minutes to speak.

Mr. Sudama: Mr. Deputy Speaker, I started off by saying that I wanted to inject a note of caution into this debate and that is why I stood up to speak. It is just a note of caution that there may or may not be benefits for the economy—that has not been proved. What about the short-term situation? What about the consequences for employment, the foreign exchange position, the agricultural sector, the manufacturing sector, foreign exchange parity? What about the possibility that you are going to have wider and wider income disparity in Trinidad and Tobago, with all the ignitable consequences of that kind of policy.

I wish, on behalf of Trinidad and Tobago to ask this Government to take a second look at its headlong rush into trade liberalization and structural adjustment.

Thank you, Mr. Deputy Speaker.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Deputy Speaker, I am joining this debate because it seems that there exists certain misconceptions concerning what the Government is doing. I wanted to deal specifically with three main issues and some other side issues raised by the Member for Oropouche.

First of all, the question is being asked: How is what the Government doing different from what the last government did? I want to deal with that this afternoon. There was the issue, also, with respect to the legislation. The question was being asked: Why are we now bringing the legislation after the negative list has been removed? Thirdly, the issue raised by the Member for Oropouche: Is there a vision for the Trinidad and Tobago economy? How does trade liberalization fit into all of that?

Before I deal with those issues, I would want to clarify some issues raised by the Member for Oropouche because, obviously, there seems to be some misunderstanding. The first one is the concept that trade liberalization or the trade reform package would kill the manufacturing sector. Let me say—I would want to develop the argument as I speak—that our concept of getting involved in the trade reform package is to ensure that in a period over the medium term—four or five years from now—our existing manufacturing sector or our existing manufacturers would account for no more than 50 per cent of the total manufacturing sector. In other words, we are travelling this course because we believe that it is going to expand our manufacturing sector.

Basically, the concept is that we have actual manufacturers, but those which we could attract are much larger. In fact, with the trade reform package, what we are doing is providing a market of 1.2 million to the world in exchange for entry into markets of much larger populations.

Secondly, when we look at trade reform, let us bear in mind that this is not a free opening up. The negative list is being replaced by a tariff structure that is going to be reduced over time, coming down to a level, in 1994, which is the Common External Tariff. Some time ago, we debated in this Parliament the Common External Tariff—

Mr. Sudama: On a point of clarification. The Member said the tariff structure is only up to 1994; in other words, another two years. Am I to understand that there will be a complete removal of the tariff at that date? *[Interruption]*

Hon. K. Valley: You got the answer? Very simply, we are removing the negative list and we are replacing it with the tariff structure. The tariff structure would reduce over time. At the end of 1994, the tariff structure would be at the level of the Common External Tariff.

6.05 p.m.

That is consistent with the PNM's election manifesto in which we spoke about the concept of a one-market economy for the Caribbean. More than that, in our economic policy in the manifesto, we said that our basic commitment was to a competitive market-oriented domestic economy, with the Caribbean being an integral part of that economy. The concept again of the one-market economy.

The second tenet of that strategy, or the pillar as it were, we said that we would be targeting enterprises—the same concept the Member is speaking about—which are export oriented and those which sourced their input locally. So that is consistent with our manifesto position.

The Member also spoke about the Korean model and he made the point that in the Korean model they went through a period of import substitution before they went into trade reform, but more significantly, the fact that there is a role for the Government in all of this. Let me make a point here that, really, what we are doing is making a strategic move, as it were, and any businessman will tell you that when he plans his strategy he has to look at opportunities and constraints; the strengths and weaknesses of the business. There are opportunities available to Trinidad and Tobago. There are constraints posed by the international environment.

One of the main constraints posed by the international environment today is the fact that the world has gone far to the right. It started since about 1982. But if we look at what is happening in the external world today—if we look at CNN and see what is happening with the US presidential election, we may come to the conclusion that yes, we are moving more to the centre again. For us as a developing country, that is a given. The international environment for Trinidad and Tobago is a given. We join, perhaps, with other Commonwealth countries, with Caricom and other developing countries to lobby. But until we can remove those constraints in the external environment, we have to take it as a given. That is the point my colleague, the Minister of Finance was making the other night. We cannot complain about the dark; we have to light a candle; we have to find a way. We ought not to concentrate on the constraints. We concentrate on the opportunities.

Mr. Sudama: You have to get candle and match.

Hon. K. Valley: I want to start on the first issue, Mr. Deputy Speaker—

Mr. Humphrey: They cannot get candleflies these days.

Hon. K. Valley: I want to start on the first issue, and that is how is all of this different from what obtained in the last five years. Way back in 1988—as a matter of fact we started in 1987—I remember when we were in Opposition that the political leader of the PNM, the present Prime Minister, called some of us and gave us certain assignments, and that is when we started looking at the different sectors in the economy, doing policy papers in a number of areas. We looked at it, argued about it; we refined it.

I simply want to quote from two of those papers both dated September 24, 1988—they came off the computer on that date. I want to quote from the first document which is called "The Way Forward—The Economy in the Year 2001, a PNM Vision". Most of what is in this paper one would see in the manifesto in an abridged form. I am saying this, to disabuse the mind of those persons who believe that we are simply following what the last Government was doing. On page 10 of this document—just a few quotes—because one can always say that this is not a published document—I will go next to our convention address of 1988, which benefited from these papers. In this document we are making the point, after analyzing the situation.

"Our strategy must therefore be outward looking—for markets, raw material, technology and capital—but be based on our human resource—people."—

Coming back to our fundamental concept that we are people-oriented;

"While we have not yet exhausted the benefits of import substitution, this strategy cannot be the sole basis for self-sustaining growth and transformation."

So that, very simply, the point that the Member for Oropouche was making a while ago—we are not saying that we will do away with import substitution, the point we are making is that we have to place much more emphasis at this time on an outward-looking strategy on export competitiveness. We continue in the paper—

"Indeed, only an accelerated and broad-based export thrust can provide the means for continued development. Again, however, the most important factor will be the people."

It is not a thing we were saying yesterday or last week. We continue on page 11—

"The central strategy must, therefore, be for export diversification. To achieve this, however, there must be supporting strategies to develop the minds and skills of our people and to adapt old or to devise new technologies, first to develop our own natural resources and secondly to apply these new skills to manufacture goods from imported materials."

The paper went into depth, but I do not want to go into all of that. The other paper that I want to touch on, very quickly, is the paper on "The State Enterprise Sector—Role and Function—A PNM Perspective". *[Interruption]* I can say here that this paper is informing our divestment policy of 1992 for those who have ears to hear.

Let me just provide some quotes from this paper so that one can understand some of the issues of today and how they fit into PNM thinking. Reading from page 4 of this document. Again, as I said, this document is dated 1988, talking about oil operations. I will read from the paragraph above—

"However, the PNM recognizes that particularly in an era of present financial stringency there is a limit to the extent to which the State and its taxpaying citizens can continue to provide job security for other citizens in losing commercial operations. The State has an overriding responsibility, particularly where operations are of a strategic nature, to ensure long term economic viability.

Therefore with regard to its oil operations, the PNM proposes to rationalize the operations of Trintoc and Trintopec over a period of five years to minimize dislocation and in the interim to seek an international joint venture partner to provide an outreach into the international petroleum market and continuing access to the latest technology."

Mr. Sudama: Does that rationalization involve the reduction in employment at the present level?

6.15 p.m.

Hon. K. Valley: Mr. Deputy Speaker, I do not know. If you are merging two companies and there is excess labour, obviously, one would have to do some retrenchment. I do not know what are the synergies. I would continue. Remember we are talking about state companies. It says:

"The PNM views companies like the National Gas Company, PLIPDECO, ISCOTT and NEC, as key implements in a strategy of long-term economic development. For instance, no new ammonia investment in Trinidad is possible without the right arrangements being struck on the terms of gas supply. Trinidad and Tobago can have no assurance, however, that a private multi-national corporation pursuing its global corporate strategy, would, at crucial junctures, find that strategy in tandem with our national interest. Under the PNM therefore, the National Gas Company could not be anything but a state enterprise.

The Iron and Steel Company of Trinidad and Tobago was conceived as a strategy to produce competitively in Trinidad and Tobago, a basic raw material—steel, the foundation of most international industrial capability; to master the basic technology; to press forward from the initial crude technology into specialty steels; and to control the marketing of these products so that like gas, they could be used to trigger downstream developments in wire drawing; tools; production of welding electrodes; fastenings; coil springs, etc., all of which could provide quality employment for thousands of young people emerging from our school system with modern skills and First World aspirations."

Mr. Deputy Speaker, our view with respect to the Iron and Steel Company of Trinidad and Tobago is the same today, as it was then. As a fact, we find ourselves in a situation where, to an extent, our position is compromised. But we are determined to ensure that our Iscott is maintained for its original purpose. And our downstream manufacturers will be protected at all costs. That is our commitment.

As we move towards trade reform, as we talk about attracting potential investors to Trinidad and Tobago, we have to look at downstream from steel. And if there are firms or people who believe that in their pricing downstreamers must pay more than the foreign purchaser, we say that we just cannot allow that, because then there is no incentive to attract firms in Trinidad and Tobago. That is our commitment.

Mr. Humphrey: I want to thank the Minister for giving way. Mr. Deputy Speaker, we are debating an anti-dumping bill. On the question of Iscott, which, in fact, was the flagship of the economy, as the Member for Diego Martin Central is describing, what was the experience we had in seeking to market the product? The strategy for Iscott was to supply the US market with high tensile steel rods, for

which they imported at the time, 50 per cent of their requirement. That was the main strategy: Convert natural gas into an exportable, money-deriving product, aimed at the US market. But what was our experience in terms of dumping?

Hon. K. Valley: Mr. Deputy Speaker, I think the hon. Member for St. Augustine does not understand PNM's policy. PNM's policy has always been to go as far downstream as possible, with respect to steel.

Mr. Humphrey: On a point of order, Mr. Deputy Speaker. It is on *Hansard* record, because I was in the Parliament when Iscott was being considered. I was in the Senate. On the basis of questions delivered to the then Minister with responsibility, it is now on record that the strategy for Iscott was to derive foreign exchange by converting natural gas, which was not saleable, into a product that was saleable. I want the Minister to say now what was our experience as a steel producer with the market that was targeted by the industry, with some \$2 billion of investment and losses combined—what was, in fact, the anti-dumping position of the United States?

Hon. K. Valley: I hear your question; I understand your question—

Mr. Humphrey: You do not understand! You do not understand your own party.

Hon. K. Valley: Mr. Deputy Speaker, obviously, the Member is looking simply at Iscott. Iscott produces three products: DRI's, billets and wire rods. If one is looking at Iscott, one is saying that, for example, wire rods, part of it can go further downstream to Centrin and other potential manufacturers, and obviously the rest would be exported. *[Interruption]*

I am talking about the intention. The whole concept of the plant was that one could go downstream. It was not simply to export wire rods. That is the point I am making.

To answer his second question, we all know what happened to Iscott. They faced countervailing duties in the United States. As I said in opening, we are aware of some of the problems of the external market. There are constraints and we can fight those constraints. We would lobby to get them removed, but as long as they are there, we have to live with them. Our obligation, as a caring party, is to find a way around, so that we can move forward. We just cannot continue quarrelling about the noise. We have to find a way. That is our obligation. That is why we are in Government.

I thought I would put that on record. But I want to go further. We talk about the strategic approach and we would talk about that in a second.

On Sunday, October 9, 1988, the Political Leader of the PNM, the present Prime Minister, delivered his convention address at the Chaguaramas Convention Centre: "With the PNM There is Hope." *[Interruption]*

It was your party which did that. The same thing they did with Cable and Wireless and Telco. But let me leave that alone. *[Interruption]*

6.25 p.m.

Mr. Deputy Speaker: Allow the Member to continue, please.

Hon. K. Valley: Mr. Deputy Speaker, in that convention address—the point I am making, quite simply, is that way back in 1988, PNM outlined a certain direction, so that we were clear on the direction we had to take. We said, in terms of PNM's economic policy—I am reading from page 31 of the convention address:

"The economic imperative for Trinidad and Tobago is the development of a plan of action, the implementation of which would stimulate economic growth and lead to the transformation of the economy to make it more resilient and less oil dependent.

In other words, there is a need for a return to economic growth and development after the setbacks of the last few years."

Quite simply, we see our task as that of moving this economy to growth. The hon. Minister of Finance clearly outlined in the Budget Speech of 1992, that our task is from stabilization to growth. That is what we are about. We have to set up the plays so that the private sector can score the goals.

We continued:

"Whatever strategies are planned for any sector of the economy must have as their aim the establishment of an environment conducive to economic growth and transformation. However, we must, at all times, ensure that the less fortunate in society are given some minimum level of protection in the overall planning framework."

That caring coming through whatever we do. That is the critical difference, as we have been saying since 1987. The critical difference between those of us on this

side, and those on the other side is the people-consciousness, the people-orientation of the Government.

The Member for Oropouche was asking whether there was any vision. We outlined clearly what we are about and the way forward on page 39 of the address:

"The PNM Economic Vision is the attainment of a diversified economy based on the optimum utilization of our natural resources and the fullest development of our human potential. The PNM envisages:

1. a vibrant private sector, comprising a large number of firms providing goods and services to domestic as well as external markets;"

the emphasis always there—

"Most favoured status will be accorded to enterprises which are export-oriented and whose inputs are sourced locally.

2. increased initiatives in downstream industries in the energy-based non-oil sector; e.g. resins and petro-chemicals where it is possible to identify a market niche which can be serviced effectively by Trinidad and Tobago;
3. strong linkages between the agricultural, agro-processing, manufacturing, and distribution sectors;
4. an improved capital market through which financial resources may flow to risk ventures possessing a high probability of viability."

It is that type of orientation that has formed the PNM's manifesto. That is why Members would know that the Government, on June 25, established a committee with the twin mandate:

- (i) to make Trinidad and Tobago the business and financial centre of the Caribbean; and
- (ii) to make Trinidad and Tobago the gateway to Latin America.

We know clearly that given what is coming down, we have to make that strategic move, given our location—as my friend, for Diego Martin West (Dr. Rowley), will tell you—that the value of land is its location. It holds for land and it holds for country. Given our location, we are placed at the gateway to Asia, Europe, the Americas, Africa. *[Interruption]* I am not talking only about knowing it, but using it; looking at it and seeing it as an opportunity, realizing the opportunities that it provides, to do certain things.

So that given our position, our vision, we know we have to do certain things. This committee is mainly private sector and its task is to look at what is required in the environment. What do we need to do in Trinidad and Tobago to provide an environment that is going to be attractive to encourage firms to locate here?

My colleague spoke about globalization, and it is a fact what is happening now. We have moved from the multi-national corporation. We are now talking about the global firm so that one activity would be located in Trinidad, another one, perhaps, in the United Kingdom and one in the United States. We have to see how we could so arrange our environment, given our strategic location, that we can have sufficient activities located in Trinidad and Tobago, so that our people could be employed so we can earn foreign currency. That is what we are doing.

To make that move, we have to do certain things. Yes, given the environment we—the second issue raised, and although the direction is clear—may have to do some of these things slightly earlier than we would have liked. I am sure the Minister would have preferred to come to Parliament with all the legislation in place. The fact is that in 1990, as part of the structural adjustment loan, the Government at that time, agreed with the World Bank, that one of the conditions would be the removal of the negative list. The negative list was supposed to be removed over time, ending at the end of 1991. So, when we came into Government in December, 1991, we were faced with that. We believed that as a Government, we must have credibility; Government continues, it does not matter which party. So, as much as possible, we want to honour agreements entered into by prior governments.

More than that, because of the fact that the savings level in Trinidad and Tobago is not what it should be, and the fact that we are faced with borrowings from the multinational agencies—lenders of last resort as it were—being faced with certain conditionalities, we had a commitment to remove the negative list. That was a constraint under which we had to operate and our task was to determine how we could, in the face of that environment, protect our country and people.

It is with that in mind, that in May, 1992, we introduced the import surcharge. In fact, before the negative list—the remainder of the negative list, was removed, one had the import surcharge. The Minister made it clear that this anti-dumping legislation is merely part of the package. In fact, there are initiatives with respect to customs. There is the Revenue Protection Agency that is supposed to be

established. There is the unfair trade practices legislation that is to come, but these things take time.

In the interim, however, the domestic manufacturers are protected, perhaps not 100 per cent, but they are protected via the import surcharge. The direction is clear—my colleague, the Member for San Fernando West made the point—World Bank or no World Bank, the PNM knew the exact direction in which it wanted to take the country. In fact, we know that the greatest service that we, as a Government, can give to the country is to ensure that the private sector is competitive and innovative. That is what we want. With competitiveness come efficiency and effectiveness; and with innovativeness comes creativity. That is what we want.

While we say clearly. *[Interruption]* We are doing it, we are providing the environment for that. That is what we are doing, while the public sector, becomes more facilitative, though catalytic. We still have that role to play. We still have to set up the plays, to allow the private sector to score the goals. We said that on page 48:

"The State will become less dominant in direct economic activity. The partnership envisaged is one where the people are the investors, employers and employees, while the State plays a more supportive role."

635 p.m.

That is 1988, so we are being consistent. It is with respect to that facilitative role that one sees that one must understand this Government's divestment policy. Again, that policy was outlined in this document in 1988. In this document, we said that the state would continue participation in the commercial sector under four conditions.

- (1) The firm or industry must be deemed strategic.
- (2) If there is social significance, a public utility, Caroni;
- (3) If it is necessary for economic diversification, and the private sector by itself is unable to carry the ball.
- (4) If a foreign joint venture partner requires government's investment.

Those are the four conditions. We say that the Government's investment in those industries would be reduced over time through divestment to appropriate levels. That is what we are doing. We say that firms which fall outside that scenario

would be divested in an orderly manner over time, within the context of the concept of the widest possible participation.

In this document we also made that distinction between divestment and privatization. We would argue that whereas—and we say it boldly—if you look at a Webster dictionary, there would be no distinction between privatization and divestment, but in Trinidad and Tobago given what happened over the last five years, there is a clear distinction. If you doubt me, just ask the man in the street. He knows that there is a distinction between divestment and privatization, because he knows that with privatization in Trinidad and Tobago, it means simply selling for cash. The bottom line is simply to get rid of it; sell for cash usually to finance current expenditure. He understands that with a policy with respect to divestment, it is one in which you are moving the shares from the corporation sole, where they are held in trust for the population in accordance with the concept, the widest possible distribution.

We are not making that distinction today. We made it in 1988. In 1990, when I was in the other place, there was a motion on privatization where we stated that point. We said it in the convention address. It is not something new. We have been consistent. We have kept faith with the population. As we have said on a number of occasions the basic difference between this Government and the last government is the concept of caring. It is an approach which puts people first at all times. Many times—and we made that point—we agreed with what the last government wanted to do, but we disagreed with their methods.

We said that when we dealt with that motion on privatization, we made that distinction between privatization and divestment. We said it when we dealt with the Foreign Investment Bill. Members would remember in that debate, it was as though there was an intent to try to satisfy everyone. There was no underlying philosophy whatsoever. One had to rely then on the PNM to hammer that Bill into shape. If you see the Foreign Investment Act today, you would see that it is PNM's policy. The Act is quite different from the bill which was introduced in the House. The critical difference was in the manner of achieving goals. The fact that whatever we do, we consider—

Mr. Robinson: Mr. Deputy Speaker, could the Minister give way to one question? Has he read the NAR manifesto of 1986 which was adopted as government policy?

Hon. K. Valley: The Member for St. Augustine has said on a number of occasions a number of things about that manifesto. I do not want to interfere with that at all.

Mr. Sudama: Have you read it?

Hon. K. Valley: Part of it. I could not take all of it.

Mr. Sudama: Would you like to read it and then come back to debate it?

Hon. K. Valley: Did you read it?

Let me make the point that the anti-dumping legislation to us, as a caring party, is a critical piece of legislation geared to protect our manufacturing sector. Other pieces of legislation will be brought to Parliament to offer a higher level of protection to the sector, but we are clear on the direction in which we ought to go. We are clear that firms must be exposed to export competitiveness.

The last time I gave an example of this, but I do not intend to do that today. One simply has to look at what is happening in the world and for the opportunities which are available; try to minimize the constraints or the threats as much as possible and chart a course for our country, simply to return this economy to one of growth. I thank you.

ADJOURNMENT

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that the House do now adjourn to Friday, July 31, 1992 at 1.30 p.m.

Import Surcharge (Footwear)

Mr. Raymond Palackdharrysingh (Caroni Central): Mr. Deputy Speaker, I promise to be very brief this afternoon, provided those on the other side behave themselves.

I communicated with the Speaker, asking to raise a matter under section 11 (2) of the Standing Orders. It is "Grave problems caused by the imposition of the 50 per cent import surcharge on ladies', girls' and infants' footwear."

The petition of small business persons claims that the unwarranted, astronomical import surcharge of 50 per cent would give rise to the following negative results.

Import Surcharge (Footwear)

Friday, July 24, 1992

- (1) Importers would find difficulty in accessing overdraft facilities of this additional 50 per cent of the CIF value, since the present liquidity situation in the banking system is very tight.
- (2) The already ailing economy would be further affected by these massive increases, causing sales to drop, and therefore posing a serious threats to the survival of many small businesses.
- (3) with bad sales, staff will be decreased, bringing additional unemployment to many suffering people.

The petitioners, whose names I will give you later, are very upset about this callous and insensitive imposition upon them, moreso in the light of the removal of the negative list. Apart from being confusing and self-defeating, it is setting the stage for chaos. Businesses will be closed and there will be more unemployment, with its grave social consequences.

6.45 p.m.

On May 30, 1992, a number of small businessmen involved in the selling of shoes, petitioned the Minister of Trade, Industry and Tourism, asking for the removal of the 50 per cent import surcharge on ladies', girls' and infants' footwear. They drew his attention to their dissatisfaction with such a high import surcharge, especially in view of the fact that none of these items are manufactured locally. It was felt that the Government had given the undertaking that the import surcharges were to be applied only to items which were going to compete with our locally manufactured products, and that local manufacturers would still be protected upon the removal of the negative list. It was observed that with the introduction of Act No. 4 of 92, and this was the information communicated to the hon. Minister—in the Sixth Schedule to the Act Items Nos. 64:01—64:05 all types of footwear will be subjected to a 50 per cent import surcharge from June 1992.

The petitioners were at a loss to understand the rationale applied since no ladies', girls' or infants' footwear is manufactured locally, except for a very minimum quantity of ladies' slippers and sandals. The thought was that that error by the Government was an oversight in the compilation of the data for Items Nos. Heading No. 64:01—64:05, since another document with conflicting information surfaced.

Under 64:01—64:05, only women's and girls' footwear of injection moulded soles carries the import surcharge and all other types of ladies' and girls' footwear

are exempted, since they are not manufactured locally. They also felt that ladies' and girls' slippers and sandals should be exempted from the import surcharge, as very little production is being done locally. Although this item appears on the negative list, the Ministry of Trade, Industry and Tourism was informed by some of the manufacturers, quite some time now, that they were no longer producing these items, and, therefore, did not wish to be protected. They requested that those items be removed from the negative list. Since then, about two small manufacturers have sprung up and are producing a very few basic styles, and could hardly supply two per cent of the market.

The conditionalities that apply to licence for the import of some of the footwear was that they should have no injection moulding, for example, the jelly shoes footwear. No men's sandals and slippers, no sneakers or sport shoes, no men's shoes should be imported against this licence. Therefore, it is quite clear that ladies' girls and infants' footwear, including slippers and sandals, except those of injection moulded soles, was allowed to be imported. This is precisely what the petitioners are saying, that these items are not manufactured locally; therefore, they should be exempted from the 50 per cent import surcharge.

It would seem that the Minister did not have the courtesy to give to those petitioners the amount of time and consideration they deserve in dealing with the issue raised. Instead, the Minister saw one representative of that organization and informed him that he was not aware that ladies' and girls' footwear was on the negative list until it was mentioned to him. Still, nothing has been done about it. The petitioners have to pay duty of 25 per cent, a stamp duty of 20 per cent, VAT of 15 per cent and, now, this additional surcharge of 50 per cent. Do you see what is happening in that regard?

6.55 p.m.

Again, a concerned importers and retailers group communicated with the Minister some time ago and he replied to them on June 30, indicating that the matter was receiving attention. But, knowing the credibility of the Government, one cannot take the chance not to bring this matter to the Parliament and ask the Minister to respond, to publicly make a statement.

Earlier today, I met with representatives of this organization and they indicated to me that in order to import these items, they had to pay a broker to clear them at the rate of two per cent CIF; they had to pay for containers, transport, paperwork and administration and at every store there are about four to five workers,

minimum. It is conservatively estimated that there are about 2,000 shoe stores in the country with about 10,000 clerks and if they cannot be competitive in the market, about 1,000 persons would be unemployed.

The question then is: What was the need for the 50 per cent surcharge and why was it not removed when it was brought to the attention of the Minister? Is there someone who is being protected or is there some footwear industry that will be springing up overnight and will need this sort of protection? There is no justification for it. Therefore, the Minister ought to explain his action.

Mr. Deputy Speaker, you would know that if you look at trends and fashions, the way the ladies like to match their shoes with their clothes is much different from men and, therefore, to prevent the importation of ladies' shoes, without any alternative, is really to go back to sapat or perhaps to ask the ladies to wear shoes that would not suit their taste or style.

I have here the names of 32 persons, the owners of footwear stores who had petitioned the Minister and he did not respond. I wonder if the Minister wants me to call the names or if he is aware of them. The petition went along with a letter dated May 30, 1992. The names are as follows:

- T. Moses & Sons,
42 Frederick Street;
- Lana's Shoe Store,
39 Frederick Street;
- Jele's Shoes,
60 Frederick Street;
- Elegance for Fashionable Footwear,
30 Frederick Street;
- Fashion Club,
Frederick Street;
- Footworks,
86 Frederick Street;
- Bata,
Port of Spain and San Juan;
- Shoe Locker,
Frederick Street;

Import Surcharge (Footwear)
[MR. PALACKDHARRYSINGH]

Friday, July 24, 1992

- Footland,
38 Henry Street;
- Shoe-Biz,
Chaguanas Shopping Plaza;
- Carr's Craft Centre,
Chacon Street;
- Neet Feet Shoe Shop,
Port of Spain;
- Massala Shoe Shop, Plaza 2000;
- Sally's Shoe Shop;
- Fashion Galore
- Fashion Gate;
- Shoes and Things Centre,
Chaguanas;
- Shoe Express;
- Sneakee Feet;
- The Mall,
High Street, San Fernando;
- Patty's footwear,
San Fernando;
- Vera's Bags & Shoes,
San Fernando;
- Shoes Soul Shop,
High Street, San Fernando;
- Shoe Palace,
Gulf City;
- Shoe Bazaar,
Gulf City;
- Tropical Shoes and Bags,
Gulf City;

Import Surcharge (Footwear)

Friday, July 24, 1992

- Aqui Chong's Limited,
Gulf City;
- Full-stop Shoe Shop,
Cross-Crossing;
- Star Dust Shoe Store Ltd.,
Trincity;
- Bally's Shoe Store,
Clarke Street, Penal.

There are store owners from Penal, San Fernando, Chaguanas and Port of Spain expressing their desire to have justification of that 50 per cent surcharge. There is no justification. In the interests of the consuming public, eliminate that unnecessary surcharge. Thank you, Mr. Deputy Speaker.

Minister of Trade, Industry and Tourism (Sen. The Hon. Brian Kuei Tung): Mr. Deputy Speaker, it is very late in the evening and I do not promise to be brief, instead I just will be.

I am wondering, myself, whether I have been in another place for the last five hours. All afternoon we have been debating an anti-dumping bill and hearing that there is no protection for manufacturers, because businesses are going to be closed and then at the end of the debate I hear a motion—

Mr. Palackdharrysingh: Mr Deputy Speaker, on a point of order. The Minister is clearly misleading the House. I have stated the principle that protectionism is based upon the existence of local manufacturers, but this is the case where there are no manufacturers and to postulate that argument is downright dishonest.

Hon. B. Kuei Tung: Then to hear, Mr. Deputy Speaker, that if we impose import surcharges to protect whatever manufacturers we have, we are going to close businesses. I am damned if I do and I am damned if I do not, as far as the Opposition is concerned.

I am a little worried as to which position the Opposition plans to take with regard to trade reform. To deal specifically with the matter at hand, the quotation that the hon. Member made, suggested that footwear has been lumped as one specific category for men, women and children and that an import surcharge of 50 per cent was imposed basically on the importation of footwear.

There are a number of small manufacturers, there are a number of people who operate along the drag, for the sake of argument, who are in the business of manufacturing ladies' shoes, slippers and what have you. I find it impossible to come here and have to defend each single item of import surcharge. The regime of import surcharge was debated in this very House and at that time there was no lobby to remove it. Instead, what has happened is that people tried to jump the gun, as it were, to import shoes and then realized that there is a measure of protection that we were talking about since May.

So now we are hearing that the import surcharge is harsh and unconscionable. At the time everyone in this House agreed that the regime of import surcharges was critical to ensuring that manufacturers are not thrown to the wolves. But this evening, at seven o'clock, we are now hearing we should throw them to the wolves. Mr. Deputy Speaker, I have great difficulty understanding which position to take.

I would say, in closing, because I did promise that I would be brief that—

Mr. Palackdharrysingh: Will the Minister give way before he closes? Because he seems to be rushing this thing down. The Minister owes an explanation to the House: Which manufacturers are he and his Government protecting? If those shoes are produced, who is producing them and in what quantities?

Hon. B. Kuei Tung: Mr. Deputy Speaker, let me remind this honourable House, again: The level of import surcharges was determined by a technical group. I remember—and if the hon. Member would like, we can adjourn this for another night—saying that there was a technical group that determined this. It was a group that determined, based upon inputs that were given even from the Trinidad and Tobago Manufacturers' Association. To suggest that the Minister had a direct input is just being loose.

Mr. Palackdharrysingh: Mr. Deputy Speaker, the Minister is responsible, and then he must know what is happening in his ministry. He wants me to know?

Hon. B. Kuei Tung: Mr. Deputy Speaker, there is a whole range of goods. I am not a Minister who is going to sit and decide import surcharges for each classification of goods; there are hundreds of goods here. To suggest that I manipulated the list is grossly unfair. There is no basis for that. As long as there is one manufacturer, we promise him protection when removing the negative list.

Import Surcharge (Footwear)

Friday, July 24, 1992

Mr. Deputy Speaker, I can only end by making one very simple statement: I am aware that there are a number of small anomalies, people have brought them to my attention, and I have guaranteed that there is going to be a review at the appropriate time.

Mr. Shamsuddin Mohammed: Are you reviewing this one?

Hon. B. Kuei Tung: Of course. This one will be reviewed as well. So just to bring this motion to an end, let me assure this honourable House that that review will take place shortly.

Thank you.

Question put and agreed to

House adjourned accordingly.

Adjourned at 7.07 p.m.